

**DEPARTMENTS OF LABOR AND HEALTH, EDUCATION,
AND WELFARE APPROPRIATIONS FOR 1964**

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
EIGHTY-EIGHTH CONGRESS
FIRST SESSION

**SUBCOMMITTEE ON DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND
WELFARE AND RELATED AGENCIES APPROPRIATIONS**

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WINFIELD K. DENTON, Indiana

JOHN LESINSKI, Michigan

MELVIN R. LAIRD, Wisconsin

ROBERT H. MICHEL, Illinois

ROBERT M. MOYER, *Staff Assistant to Subcommittee*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Part 1

(Exclusive of Public Health Service)

Printed for the use of the Committee on Appropriations



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DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS FOR 1964

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MONDAY, FEBRUARY 18, 1963.

STATEMENT OF THE SECRETARY

WITNESSES

HON. ANTHONY J. CELEBREZZE, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

WILBUR J. COHEN, ASSISTANT SECRETARY FOR LEGISLATION

RUFUS E. MILES, JR., ADMINISTRATIVE ASSISTANT SECRETARY

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Mr. FOGARTY. The committee will come to order.

We have before us this morning the Secretary of Health, Education, and Welfare, Mr. Anthony J. Celebrezze, the former mayor of the city of Cleveland. We are very pleased to have you with us, Mr. Secretary.

BACKGROUND OF SECRETARY

As usual, for those who come before our committee for the first time, we will ask you to give us a summary of your background.

Secretary CELEBREZZE. Mr. Chairman and distinguished members of the committee, by profession I am a lawyer; I graduated from the Ohio Northern University in 1936, and went to work for the State of Ohio in the drafting of the rules, regulations, and interpretation of the then new Compensation Act and stayed until 1939. Then I went back to the city of Cleveland and practiced law with the exception of the time that I served in the U.S. Navy in World War II. In 1946 I resumed the practice of law in the city of Cleveland in the law firm of Celebrezze, Celebrezze & Celebrezze with my two brothers.

In 1950 I ran for the Ohio Senate and was elected and was reelected in 1952, and served to the middle of 1953 in the Ohio Senate. I was then elected mayor of Cleveland and reelected for five consecutive terms as mayor of Cleveland until I was appointed to my present position.

I was appointed by President Eisenhower to the Commission on Intergovernmental Relations and was reappointed by President Kennedy. I also served as president of the American Municipal Association, I believe, in 1958 or 1959, and was elected president of the U.S. Conference of Mayors and have been very active in many welfare, and health programs and have done this as a private citizen along with my wife.

That just about covers it.

Mr. FOGARTY. All right, go ahead.

GENERAL STATEMENT

Secretary CELEBREZZE. I appreciate this opportunity, Mr. Chairman and members of the committee, to come before the committee to discuss the Department's plans for the coming year.

In his budget message, President Kennedy stressed that only those expenditures meeting important national needs would be included in the administration's fiscal program. The increases for the Department of Health, Education, and Welfare will strengthen those programs which deal with problems over which the individual does not have direct control: research into the causes of dread diseases, special problems of the mentally retarded and of the aged, consumer protection, pollution control, and many others. Our 1964 budget will emphasize what the President has characterized as "investment in our human resources."

"Investment in human resources" means providing the educational opportunity for all Americans to learn according to their abilities. It means providing a wide range of rehabilitative services so that individuals who are now dependent on others may be able to live productive lives as more self-reliant citizens. It means providing added support for medical research in a concerted attack on the causes of disabling diseases, and encouragement and assistance for broad community health services to diagnose and treat these diseases promptly.

Our legislative program reflects the administration's commitment to meet the need for greater investment in our Nation's human resources, an investment that will produce substantial returns in economic, social, and humanitarian terms. The administration is proposing comprehensive new programs in education, mental retardation, and mental health; it is resubmitting a proposal for health insurance for the aged; and it is submitting a number of other proposals in the health, consumer protection, and rehabilitation fields.

Total appropriations requested for 1964 under existing programs are slightly under \$5.8 billion and exceed enacted and proposed 1963 appropriations by about \$443 million. Appropriations planned under legislation to be submitted to the 88th Congress would add about \$1.4 billion.

LEGISLATIVE PROGRAM

NEW EDUCATION PROGRAM

In his message on education, President Kennedy said that "we need a new standard of excellence in education, matched by the fullest possible access to education opportunities, enabling each citizen to develop his talents to the maximum possible extent." To move toward this goal, the administration is proposing an educational program which will improve the quality of instruction in our schools, meet the educational needs of a rapidly growing population and provide added opportunities for education at all levels.

To strengthen higher education, the proposed legislation will broaden the defense education program, establish a new work-study program for needy students and provide assistance for construction of academic facilities.

To raise educational quality, the legislation proposes expanded grant and institute programs for improvement of teacher education, special grants for training teachers of the mentally retarded and other handicapped children, and broadened authority for educational research.

Public elementary and secondary education would be strengthened by grants to the States for increasing teachers' salaries, constructing needed classrooms, and conducting demonstration projects to meet special educational problems. National defense education activities in elementary and secondary education would be extended and expanded. Portions of the current program of assistance to schools in federally affected areas will expire at the end of the current fiscal year. These sections of the law concern children whose parents work on Federal property but live on private taxable property. Proposed legislation will include, with certain amendments, an extension of these provisions.

To increase opportunities for other kinds of education, the administration proposes to expand the scope and level of the vocational education programs supported through the Office of Education, to combat illiteracy, and to broaden the Library Services Act to include urban areas and to authorize grants for construction of libraries as well as their operation.

LEGISLATION IN THE AREA OF HEALTH

Education in the field of health will also be supported in proposed legislation. Trained personnel in the health professions are of central importance to the administration's program of investment in human resources. The decreasing proportion of doctors in the population is becoming a serious problem. To meet the Nation's need for more medical personnel, the administration is again recommending legislation to authorize Federal grants to provide financial aid for medical and dental students and to assist in the construction of teaching facilities.

Other new legislation in the area of health will be proposed to further increase the financial aid for the construction of nursing homes under the Hill-Burton Act. It is proposed that the scope of the act be broadened to include modernization of hospitals and to authorize grants to stimulate statewide and regional planning of medical facility construction.

MENTAL HEALTH PROGRAM

The administration is proposing a major new effort in 1964 to support mental health. Various levels of government and private interests are spending more than \$1.8 billion a year on mental health services, not including compensation payments to the mentally disabled. A very large part of these expenditures is for custodial care and contributes little to the prevention or cure of mental illness. A more positive approach to the problem is necessary.

Traditional arrangements for patient care are becoming increasingly outmoded, unnecessary, and inefficient. Almost all the mentally ill could be cared for in treatment centers in their own communities, if such facilities were available and readily accessible. The adminis-

tration is therefore proposing legislation to authorize a program of grants to assist in the construction of comprehensive community mental health centers, including psychiatric units in general hospitals.

Another new program would provide special project grants to State mental hospitals to carry out demonstrations of high quality patient care. The objective of this program would be to raise the level of patient care in State hospitals to make possible the release of individuals who do not need institutional care.

POLLUTION CONTROL AND CONSUMER PROTECTION

To combat the public health hazards caused by air pollution, the administration is recommending legislation authorizing the Public Health Service to engage in a more intensive research program in air pollution and to strengthen its pollution control activities. In addition, the new legislation would provide project grants to help State and local air pollution agencies to initiate or improve their control programs.

Legislation will also be recommended to provide more protection against unsafe foods, drugs, therapeutic devices, and cosmetics. Under the legislation, the Food and Drug Administration would be given increased authority to enforce food and drug laws. Cosmetics would have to be tested and proved safe before they could be marketed; manufacturers of therapeutic devices would also have to assure the reliability of the products. Broader authority will be sought to combat the illegal distribution of barbiturate and amphetamine drugs. The requirements for label warnings would be extended to include hazardous household objects. With these changes, the consumer protection activities of the Food and Drug Administration would be expanded in those areas which experience has shown need strengthening.

VOCATIONAL REHABILITATION PROGRAM

To improve and broaden the Department's vocational rehabilitation program the administration is submitting proposed amendments to the Vocational Rehabilitation Act. These amendments would authorize a number of modifications in the Federal support of State and local rehabilitation programs so that increasing numbers of disabled persons can be served. One of the amendments would provide grants for expansion of rehabilitation activities to furnish needed additional services to such groups as the deaf, the retarded, and the cerebral palsied. In addition, Federal assistance would be available for construction and staffing of rehabilitation facilities, evaluation of the vocational potential of severely disabled persons, and participation in experimental projects. Together with other proposed modifications, these changes will reemphasize our intention to assist all disabled individuals who want vocational rehabilitation services and who can benefit from them.

HEALTH INSURANCE FOR THE AGED

An important theme central to many programs of the Department is the encouragement of individual self-reliance. Rehabilitation, vocational training, community health services, new kinds of public as-

sistance services—all these programs are aimed at reinforcing individual initiative and incentive. This is also the aim of our time-tested successful social insurance program. By the end of the next fiscal year, more than 20 million persons will be receiving benefits under the old-age, survivors, and disability insurance program.

The great advances in medical care during the past decades have brought with them rising medical costs. To allow the aged to take full advantage of modern treatment while preserving their independence, the administration is again proposing legislation to expand the social security system to help cover the high costs of hospitalization, nursing home care, and related services for the aged. For those aged who do not participate in the social security program, benefits would be paid from regular appropriations. Since the new program would not become effective until January 1965, no funds would be needed in fiscal year 1964.

MENTAL RETARDATION PROGRAM

I would now like to discuss an area—namely, mental retardation—to which we propose to give substantially increased attention in the coming year, both in new legislation and under existing authority in the 1964 budget. The problem of mental retardation is one to which this committee and individual Members of Congress have directed earnest consideration, and action, for nearly a decade.

There are some 5 to 6 million mentally retarded persons in the Nation. The needs of these people have been of concern to you, Mr. Chairman. This committee has supported programs to determine the causes of mental retardation and the means for its prevention or amelioration. The efforts of the past decade provide the platform upon which we can now build programs for the future.

In spite of past progress, many aspects of mental retardation have received inadequate attention. Guided by the recommendations recently submitted by the President's Panel on Mental Retardation, our 1964 budget includes expenditures of \$205 million as a part of a comprehensive national effort to deal with the causes and effects of mental retardation. This amount is an increase of \$76 million over 1963; more than half of the increase represents the first-year costs of proposed legislation to aid planning for State action to combat mental retardation and to extend and improve programs directed toward this problem in the fields of education, rehabilitation, welfare, and health.

Our mental retardation effort will utilize the resources of several of our agencies.

In addition to its program for training teachers of the retarded, the Office of Education will intensify research in the learning process under the cooperative research program. The administration's education bill includes proposals to promote special education for the mentally retarded. Also in the bill are project grants for the improvement of educational quality which may be used for special needs related to the mentally retarded in slum and depressed areas.

In the Vocational Rehabilitation Administration, efforts to help retardates become more self-reliant and self-supporting will be significantly increased in 1964. Under existing authority and under the proposed amendments to the Vocational Rehabilitation Act which I have outlined, grants to States for rehabilitation services will be in-

creased, with a consequent doubling of support for services to be provided mentally retarded persons. To furnish the basis for further expansion of services in the future, we are proposing substantial additions to the research and training program for rehabilitation of retardates.

Programs directed at the needs of the mentally retarded will also be emphasized in the Welfare Administration. Proposed legislation would strengthen the ability of the Children's Bureau to obtain information on the incidence of retardation and to concentrate on maternal and child health problems closely related to retardation. New legislation would increase the maximum authorization for maternal and child health and crippled children's grants, and would also authorize cooperative research projects in these fields. Part of these increases would be utilized to relieve conditions likely to lead to mental retardation. Comprehensive project grants for maternal and child health services will also be initiated under this new legislation. The favorable matching ratio should stimulate States and localities to extend services to those high-risk groups where the prevalence of mental retardation is especially high.

Income maintenance programs to provide support for persons who are disabled because of mental retardation are administered by both the Welfare Administration and the Social Security Administration. In 1964, these public assistance and social security payments are expected to rise to \$111 million, a 15-percent increase over 1963.

As its contribution to this total effort, the Public Health Service will intensify its activities concerned with discovering the causes of mental retardation and the means of preventing it, and treating those who are affected by it. A heightened program of medical research will be directed to the biological and environmental causes of mental retardation. The program of the new Institute of Child Health and Human Development would provide an additional resource for attacks on the causes and prevention of mental retardation in the context of the basic processes of human development. A new legislative proposal would provide for the construction of 10 centers for research in human development focused on mental retardation. Other new legislation would include provision for construction of facilities for care and treatment of the mentally retarded.

I think that these proposals show our determination to mount a more intensive attack on the problems of mental retardation.

Now, Mr. Chairman, before going on to a discussion of the Department's budget for 1964 under existing legislation, I would like to review briefly some of the Department's accomplishments during the past year which have been made possible by the appropriations authorized by Congress.

PROGRAM ACCOMPLISHMENTS

Last year, for the first time, more than 100,000 disabled persons were restored to useful employment or placed in better jobs through the Federal-State program of vocational rehabilitation. Some 17,000 of those rehabilitated had been on public assistance, at an annual cost of \$18 million. Of course, the value of thousands of individuals restored to a useful life cannot be measured simply in dollars and cents.

The most significant event of the past year in the area of welfare was the enactment of the Public Welfare Amendments of 1962, which President Kennedy has called the most important welfare legislation since the original Social Security Act. The amendments which we are now implementing were designed to strengthen and improve Federal public assistance programs and to increase their effectiveness in reducing and preventing dependency.

The Department's social insurance programs continued to expand last year. More than 17 million beneficiaries—an increase of 10 percent—received monthly payments in fiscal year 1962; total benefits paid went up by almost 15 percent.

Great advances were made in the area of consumer protection in the past year. In important new legislation, Congress has given the Department new authority to set up safeguards over the manufacture and distribution of drugs. In addition, I have issued new regulations to insure greater safety in the clinical testing of new investigational drugs. A citizens advisory committee has recently submitted a report on the consumer protection activities of the Food and Drug Administration. We are now carefully evaluating the report and will shortly be in a position to determine the steps which we feel are appropriate to strengthen our consumer protection program.

In the area of health, we have had many important developments during the past year.

We have actively supported a greatly expanded program of assistance to States and communities to encourage the development and improvement of out-of-hospital services for the chronically ill and aged. Other intensified assistance programs have promoted the early detection and treatment of cancer, heart disease, and neurological and sensory disorders. We have given major attention to the venereal disease program, with the goal of eradicating syphilis as a public health problem in the United States within the next decade.

We have given continued assistance to communities for the construction of needed hospitals and medical facilities under the Hill-Burton grant program.

We have stressed research into the problems created by an increasingly complex manmade environment: air pollution, water pollution, and radioactive substances. To effectively combat these environmental health hazards, we have strengthened our pollution control programs and expanded our programs to train needed personnel in this field.

The medical research and training programs of the National Institutes of Health have been further expanded, and the support for construction of health research facilities has been increased. A new Institute for Child Health and Human Development and a new Institute of General Medical Sciences have been established under congressional authorization. We estimate that, in the current fiscal year, about 16,000 principal investigators will receive support from NIH grants.

We have made important gains in the area of education.

Under the new Manpower Development and Training Act, more than 200 schools and colleges are already conducting training programs for over 6,000 unemployed men and women who are thus able to learn new and needed skills. In total, more than 4 million persons were enrolled last year in the various vocational education programs supported by the Department.

Again in 1962, the Department's activities under the National Defense Education Act strengthened all levels of American education; 190,000 students received loans and 1,500 graduate students were awarded fellowships. More than 5,000 individuals participated in the advanced foreign language program. Activities under other titles of the act provided support in other key areas of education.

New legislation passed in the last session of Congress gave us broader authorization to develop captioned films to help the deaf live happier and more productive lives.

I think that our accomplishments in the past year have been truly impressive. They are due in no small part to the support of this committee and of the Congress.

ADMINISTRATIVE IMPROVEMENTS

I think also that it is very important for a Department that has been required to absorb so rapidly so many new and expanded programs and responsibilities to review the administration of these programs. I am deeply concerned, too, that in carrying forward these programs, we do so in a manner that will make the best possible use of the tax dollars we are spending.

I would like to cite several actions that I have taken to improve the administration of the Department's programs.

Recognizing the importance of good management and coordination of the day-to-day operations of our large Department, I have emphasized the need for improved communications concerning the activities of the Department. To this end, I have instituted regular staff meetings with the heads of the agencies in the Department in addition to individual meetings on specific matters.

The Department's new responsibilities under the Public Welfare Amendments of 1962 and the rapid growth of the social security program have led me to realine our welfare and social security functions within the Department in order to strengthen the administration of both programs. I have established a new Welfare Administration to direct the Department's programs concerning the welfare of children, the aging, and families and individuals in need. Dr. Ellen Winston, one of the outstanding State welfare administrators in the country, has been appointed to head the new Welfare Administration. The Department's social insurance program will continue to be administered by the Social Security Administration under the direction of Commissioner Robert Ball.

Also appointed recently by the President is our new Commissioner of Education, Francis Keppel. Prominent in the educational field for over two decades, Mr. Keppel is an excellent choice to head the Office of Education.

During the past year, the Department has been engaged in a continuing effort to strengthen the management of the health research grants and contracts programs. The new position of Grants Policy Officer has been established in the Office of the Surgeon General as a control point for review and evaluation of grant policies.

The Food and Drug Administration's Bureau of Medicine has been reorganized to discharge more effectively its increased responsibilities in the new drug area. A new Investigational Drug Branch has been

established to evaluate reports of proposed clinical tests of new drugs which manufacturers and others will submit in compliance with the investigational drug regulations.

As requested by the Senate Appropriations Committee, a careful examination is being made of the administration of the Aid to Families With Dependent Children program.

In his budget message, President Kennedy stressed greater efficiency through the improvement of management controls. I have taken steps to insure the most effective use of manpower in the Department. I am pleased that the President was able to cite the 5.5-percent increase in output per worker in the Bureau of Old-Age and Survivors Insurance as a cause for savings amounting to \$10 million.

I am pleased to report also that the Department, in accordance with congressional and presidential directives, was able after careful and thorough program evaluation to absorb almost half of the increased pay and related costs in the current fiscal year.

1964 BUDGET

Now, Mr. Chairman, I would like to discuss our program for the coming year.

EDUCATION PROGRAM

As part of the administration's comprehensive new education program, the 1964 budget provides for a greatly expanded program of educational research and curriculum development under existing legislation. Cooperative research and demonstration agreements with colleges, universities, and State educational agencies will be directed toward finding new solutions to persistent problems in education.

A new program which we will initiate in the coming year is designed to improve foreign language teaching and area studies in the United States. Grants will be awarded to American teachers and graduate students to study abroad, and studies by foreign teachers in the United States will be supported. The new program will supplement foreign language activities now supported under the National Defense Education Act.

Staffing increases are requested for the Office of Education in order to administer these new expanded programs. Additional positions are also requested to strengthen educational statistics activities and to provide more consultative services.

The 1964 budget requests an increase to the new maximum authorization for the program of captioned films for the deaf.

A special new program of grants for construction of educational television facilities will play an important role in the improvement of educational opportunities for people of all ages. A supplemental request has been submitted for the initiation of this program in 1963. The 1964 budget provides a further increase to meet the growing ability of interested agencies to match and effectively utilize these grants.

Our interest in improving educational programs and opportunities is also reflected in our continuing efforts at Gallaudet College and Howard University to achieve and maintain a high level of instructional quality and to accommodate expanding enrollment.

PUBLIC HEALTH SERVICE

In addition to these programs in education, the Department budget for 1964 includes significant increases for the Public Health Service.

In recent years, there has been an expansion in programs to improve community health services and to meet the problems of environmental health hazards. To increase the effectiveness of the Public Health Service's approach to these health needs, we are recommending a division of the existing Bureau of State Services into two bureaus: a Bureau of Community Health and a Bureau of Environmental Health. The 1964 budget provides funds for site acquisition and planning of a new environmental health center for research, regulatory, and operational activities. The budget also provides for an intensified effort to control environmental health hazards through research, training, and increased Federal support for pollution control programs.

Two supplemental appropriations are requested in 1963 for community health activities. The first would initiate the new community immunization program to protect preschool children from diphtheria, tetanus, whooping cough, and poliomyelitis. The other supplemental would provide grants for improving the health of migratory agricultural workers.

The greatest increases in the 1964 budget for community health activities under existing legislation would provide for the eradication of the *aedes aegypti* mosquito which carries yellow fever, an intensified program to eliminate syphilis, and grants for increased services to the aged and victims of chronic diseases.

NATIONAL INSTITUTES OF HEALTH

Under the programs of the National Institutes of Health, the 1964 budget provides for sizable increases in our continuing medical research efforts. Recent advances in basic biomedical research, progress toward finding the causes and cures for certain types of cancer, heart trouble, and other diseases offer encouraging evidence that our research efforts are producing important results. The 1964 budget proposes a 13-percent increase for research activities conducted through grants and contracts and by our own investigators.

This year, as I have noted, major emphasis is being given to an expanded program for mental health and mental retardation. As one of the key elements of this program we are proposing, under existing legislation, a program of special project grants to State mental hospitals to carry out demonstrations of high quality patient care.

Our studies of the Nation's mental health problems have confirmed the urgent need for more highly trained personnel in the mental health field. Our 1964 budget proposes a major expansion of training activities in this area. Expansion of training and fellowship programs in our other institutes under the budget proposals reflects our concern for meeting the need for qualified researchers to advance the Nation's growing medical research effort.

The budget for extramural research projects, other than those in the mental health field, is designed to provide for the full estimated costs of continuing those projects for which we have made a "moral

commitment," and to provide the same amount of funds as will be available in 1963 for the continuation of grants which will expire, for supplementing existing grants, and for wholly new projects. It is our hope that more intensive budgetary review of grant applications will produce some reduction in continuation and supplemental requirements.

The 1964 budget thus contains about \$455 million for regular project grants, of which \$107.2 million is for wholly new grants. This is the same as the currently estimated 1963 new grant level, except in the mental health area, where there is an increase of \$15.7 million.

In the special grant areas, including such things as general research support grants, clinical research centers, special resource centers, and primate centers, we are continuing the 1963 program level.

SAINT ELIZABETHS HOSPITAL

The 1964 budget recognizes more fully the Federal Government's responsibility to finance research, training, and related operating costs of Saint Elizabeths Hospital in the mental health field, and proposes a new financing plan which will promote a more rapid removal of patients who could better be cared for in other types of facilities.

VOCATIONAL REHABILITATION ADMINISTRATION

In the area of rehabilitation of the mentally ill, we have been increasingly successful; the number of mentally ill persons rehabilitated has quadrupled in the past 5 years. The strengthened program planned for 1964 should lead to further progress.

Rehabilitation of the mentally ill is only one part of the rehabilitation program. Rehabilitation of the disabled, the mentally retarded, the blind, the deaf, the mentally ill, and the aged is a key part of the administration's program of investment in human resources.

The 1964 budget for vocational rehabilitation reflects the administration's intent to achieve the greatest number of rehabilitations possible. Last year the Congress supported this policy by endorsing the principle that no State rehabilitation dollar should go unmatched. In 1964, we propose a further increase in grants to States for the extension and improvement of rehabilitation programs. Particular attention will be directed to providing rehabilitative services to the mentally ill, the mentally retarded, and to persons receiving public assistance. In order to lay the necessary groundwork for future advances, we are requesting a substantially higher level of support for rehabilitation research and for training of urgently needed qualified personnel.

With this intensified effort, we anticipate that a record 126,000 disabled persons will be rehabilitated in 1964.

WELFARE ADMINISTRATION

The Public Welfare Amendments of 1962 stress services and rehabilitation in order to prevent and remove causes of dependency. To provide for broadened activities and increased support under the amendments, we are requesting a 1963 supplemental for public assistance grants. Further increases are estimated in the 1964 budget

to meet higher costs due to the amendments. In order to meet our new administrative responsibilities, we are requesting staffing increases in 1963 supplementals and in the 1964 budget for the Bureau of Family Services and the Children's Bureau.

The public welfare amendments point up again the growing need for trained public welfare personnel. Under new authority given in the amendments, the 1964 budget provides for the initiation of a program of direct training and contracts with universities, traineeships, and short courses to public assistance administrators to meet this urgent need.

In addition, a new program for training child welfare personnel under the public welfare amendments will be financed by a supplemental appropriation for grants for maternal and child welfare. The supplemental would also permit the initiation of a new program of support for day care services for children of working mothers. The 1964 budget provides for substantial expansion of the day care program, and includes increases for research and training programs in child welfare, with special emphasis in the field of mental retardation.

FOOD AND DRUG ADMINISTRATION

A sharply increased measure of protection for the American consumer is provided in the 1964 budget through staff increases for the Food and Drug Administration and through modernization of its facilities. To meet the immediate need of implementing the Kefauver-Harris Drug Amendments of 1962 and the new drug regulations, we have reprogramed our 1963 appropriations. The 1964 budget recommends further augmentation of drug control programs. In addition, staffing increases in 1964 would strengthen such activities as research in food additives and pesticide residues, inspection of imported foods and drugs, and investigation of illegal sale of prescription drugs. To accommodate these activities in the most modern scientific surroundings, the 1964 budget provides funds for new laboratory facilities for the headquarters staff and will allow us to begin the last phase of district office renovation.

OFFICE OF THE SECRETARY

All the programs which I have discussed are placing and will continue to place heavy responsibilities on the Office of the Secretary for coordination, program planning, and legislative planning. I consider these to be serious and important responsibilities, requiring, as I stressed earlier, good administration and careful review of the Department's programs. The Department's activities are growing more complex, and the interrelationships between our agencies are increasing. In order to maintain the highest standards of efficiency and economy in the administration of the Department's expanding programs, additional resources are required at the departmental level. Consequently, I am requesting modest staffing increases in the Office of the Secretary to assure these standards of administration.

CONCLUSION

To summarize, Mr. Chairman, I believe that our 1964 budget reflects a well-balanced, thoughtfully prepared program to meet the pressing health, education, and welfare needs of our Nation.

I have prepared, Mr. Chairman, a more detailed statement on the 1964 budget. With your permission, I would like to have it inserted in the record.

That finishes my opening statement, Mr. Chairman. I will be happy, with the assistance of my colleagues, to answer any questions which the committee would like to ask.

SUMMARY OF BUDGET

Mr. FOGARTY. We will place the statement regarding details of the budget in the record at this point.

(The more detailed statement follows:)

The 1964 budget for existing programs of the Department of Health, Education, and Welfare contains expenditure estimates of \$5,503,241,000, an increase of \$496,876,000 over expenditures in the current year. Costs of proposals for new legislation would add \$238,851,000 to these expenditures in 1964.

Stated in terms of new obligating authority, the President's budget provides \$5,792,373,000 for carrying out the existing programs of the Department of Health, Education, and Welfare in 1964. This is an increase of \$442,840,000 over the comparable appropriations in 1963. An additional \$1,365,172,000 is earmarked for new legislation being submitted to the 88th Congress.

The program categories and the amounts of the significant changes in new obligational authority for existing programs follow:

1. Expansion of staff and facilities of the Food and Drug Administration-----	\$20,863,000
2. Aid to education-----	51,433,000
3. Vocational rehabilitation-----	28,515,000
4. Community health services-----	19,067,000
5. Environmental health programs-----	24,071,000
6. National Institutes of Health-----	88,414,000
7. Emergency medical stockpile-----	34,361,000
8. Reduction in hospital construction program-----	—46,697,000
9. Grants to States for public assistance-----	201,700,000
10. Educational television-----	5,000,000
11. All other increases-----	16,113,000
Net increase-----	442,840,000

The budget also requests new obligational authority for several legislative proposals the President will submit to the Congress. These include:

1. A comprehensive proposal for improvement in educational programs to meet national objectives for manpower development, national security, economic growth, and social welfare.

2. Health professions education assistance.

3. Amendments to the Hill-Burton Act for the planning and construction of health facilities.

4. Health insurance for the aged under social security.

5. Expansion and extension of the maternal and child health and crippled children's program.

6. Extension of period for reimbursement to the old-age and survivors insurance trust fund of funds to cover the cost of benefit payments paid as a result of noncontributory military service credits.

In addition to the above, there will be a number of legislative proposals to improve and strengthen ongoing programs. These items require relatively small individual increases in new obligational authority and expenditures and are not

separately identified in the budget but will be provided for under a general contingency fund.

The attached statement of highlights discusses in more detail the 1964 proposals in comparison with the 1963 programs.

FOOD AND DRUG ADMINISTRATION

Operations

	<i>Appropriations</i>
Estimate, 1963-----	\$27, 114, 000
Proposed supplemental, 1963-----	826, 000
Total estimate, 1963-----	27, 940, 000
Estimate, 1964-----	35, 805, 000
Increase over 1963-----	7, 865, 000

The increases in staff and resources proposed for the Food and Drug Administration in fiscal years 1963 and 1964 are designed to provide a sharply increased measure of protection for the American consumer.

The proposed supplemental includes \$826,000 for the increased pay costs which will be incurred under the Federal Service Salary Reform Act of 1962.

The 1964 budget proposes a further staffing increase of 635 positions. The largest single group (315) will be allocated to the drug area in order to further strengthen the resources available to carry out the recently enacted legislation and the new regulations; other principal areas of increase are 51 positions to assist in providing greater inspectional coverage of the growing volume of foods and drugs imported from other countries and 41 positions to engage in an expanded program of food research. Additional staffing increases are proposed to more effectively carry out the Food and Drug Administration's responsibilities relative to pesticide residues, illegal sale of prescription drugs, consumer consultation, information-education programs, and several additional areas.

In addition to the figures shown above, the 1964 budget provides for expenses amounting to \$2,683,000 relating to (1) the certification of antibiotics, insulin, and color additives for use in foods, drugs, or cosmetics; (2) the establishment of tolerances for residues of pesticide chemicals in or on raw agricultural products; and (3) the establishment of tolerances for color additives for foods, drugs, and cosmetics. These expenses will be wholly offset by fees paid by the affected industries. In 1963, 67 positions were added to the above activities to implement the Kefauver-Harris amendments of 1962. Beginning in 1964, it is proposed to convert the method of financing these programs from the existing indefinite special fund to a business-type revolving fund. A total of 264 positions are related to the 1964 estimate—an increase of 6 over the current fiscal year.

Buildings and facilities

	<i>Appropriations</i>
Estimate 1963-----	¹ \$1, 020, 000
Estimate 1964-----	14, 018, 000
Increase over 1963-----	12, 998, 000

¹ Comparative figures—amounts were appropriated under "Salaries and expenses" account.

The 1964 buildings and facilities budget calls for:

1. Construction of additional laboratory facilities at headquarters to augment the new laboratory building (Federal Office Building No. 8) now under construction in Washington. By 1965 the facilities in FOB No. 8 will be inadequate.

2. Construction of a special dog whelping facility to complement the pharmacological-animal laboratory building now under construction at Beltsville, Md.

3. Development in 1964 of plans and specifications for the construction of seven field laboratory-office buildings at Chicago, Denver, New Orleans, Philadelphia, St. Louis, San Francisco, and Seattle. Funds are included in 1964 for starting construction of four of these offices—Chicago, Denver, New Orleans, and Seattle. Since 1957, Food and Drug Administration in collaboration with the General Services Administration, has been engaged in a program to improve and enlarge its field facilities. Improvements have been provided for 11 of the 18 Food and Drug Administration district offices, all but 1 of which have been accomplished through the leasing of privately owned facilities. The 1964 budget proposes to provide the necessary facilities for the remaining seven districts identified above through direct Federal construction.

OFFICE OF EDUCATION

The budget for 1964 provides for continuation of existing educational programs at or near the maximum legal authorizations. The principal cost increases are in aid to federally impacted areas and in cooperative research in education. All areas of education will be strengthened through new legislation proposed by the administration.

Promotion and further development of vocational education (permanent and annual appropriations)

	<i>Appropriations</i>
Estimate, 1963-----	\$41, 877, 000
Estimate, 1964-----	41, 917, 000
Increase over 1963-----	40, 000

Funds are requested to continue support at the same level as last year for grants for vocational education. This level provides the full amount authorized for vocational education in agriculture, home economics, trades and industry, distributive education, and practical nurse training. Vocational education in fishery trades and industry is also continued at the same level as in 1963.

The increase of \$40,000 extends the benefits of the vocational education program to American Samoa, as provided in Public Law 87-688 approved in 1962.

The estimate includes a permanent appropriation of \$7,161,000 and an annual appropriation of \$34,756,000.

Grants for support of land-grant colleges (permanent and annual appropriations)

	<i>Appropriations</i>
Estimate, 1963-----	\$14, 500, 000
Estimate, 1964-----	14, 500, 000
Increase over 1963-----	-----

Funds are again requested at maximum authorization for the partial support of land-grant colleges and universities. The 1964 estimate includes a permanent appropriation of \$2,550,000 and an annual appropriation request of \$11,950,000.

Grants for library services

	<i>Appropriations</i>
Estimate 1963-----	\$7, 500, 000
Estimate 1964-----	7, 500, 000
Increase over 1963-----	-----

Funds are again requested in 1964 at the maximum authorized level, which represents the Federal share of extending and improving public library services in rural areas.

Construction, operation, and maintenance of schools in federally affected areas

<i>Payments to school districts :</i>	<i>Appropriations</i>
Estimate 1963-----	\$282, 322, 000
Estimate 1964 (under existing legislation)-----	104, 466, 000
1964 supplemental for proposed legislation-----	216, 204, 000
Total estimate 1964-----	320, 670, 000
Increase over 1963-----	38, 348, 000
<i>Assistance for school construction :</i>	
Estimate 1963-----	63, 686, 000
Estimate 1964 (under existing legislation)-----	23, 800, 000
1964 supplemental for proposed legislation-----	37, 984, 000
Total estimate 1964-----	61, 784, 000
Decrease from 1963-----	-1, 902, 000

The 1964 estimates under existing legislation for payments to school districts and assistance for school construction provide for full entitlements of local districts under permanent provisions of law which relate primarily to the schooling of children whose parents both live and work on Federal property. Provision is also made for requirements for schools constructed and operated on Federal property. Proposed legislation would provide for children now assisted under programs which will expire at the close of the current fiscal year. These are principally children whose parents work, but do not live, on Federal property.

For 1964, the amount requested as a proposed supplemental will make available full entitlements to school districts for these children as authorized under existing law.

The total increase of \$38 million for payments to school districts is accounted for primarily by (1) payments to an additional 300 school districts on behalf of an increase of almost 125,000 pupils and (2) an increase in the average rate of payments.

Requirements under assistance for school construction will decline due to a reduction in the anticipated number of children who are eligible under the several provisions of the act. Funds will provide for construction of 3,000 new classrooms designed to accommodate about 87,000 pupils.

Defense educational activities

	<i>Appropriations</i>
Estimate 1963-----	\$229, 450, 000
Estimate 1964-----	229, 620, 000
Increase over 1963-----	170, 000

Title		1963 appropriations	1964 request	Increase or decrease
II	Student loans-----	\$91, 300, 000	\$91, 250, 000	-\$50, 000
III	Science, mathematics, and foreign language instructions-----	57, 750, 000	57, 750, 000	-----
IV	National defense fellowships-----	21, 200, 000	21, 200, 000	-----
V	Guidance, counseling, and testing-----	22, 250, 000	22, 250, 000	-----
VI	Advanced training in foreign areas and languages-----	15, 250, 000	15, 250, 000	-----
VII	Educational media research-----	5, 000, 000	5, 000, 000	-----
VIII	Grants to States for area vocational programs-----	15, 000, 000	15, 000, 000	-----
X	Grants to States for statistical services-----	1, 700, 000	1, 920, 000	+220, 000
	Total-----	229, 450, 000	229, 620, 000	+170, 000

The 1964 request will provide a net increase of \$170,000 over 1963. For all but two of the eight National Defense Education Act titles included in this account, the amounts appropriated are the same as last year. The two exceptions are (1) title II—Student loans and (2) title X—grants to States for statistical services. A net decrease of \$50,000 is estimated for the student loan program because reduced requirements of colleges and universities for Federal loans for institutional contributions to student loan funds exceed the increase due to student loan cancellations. Under the statistical services activity an increase of \$220,000 over the 1963 level is requested for the Federal share of grants to States for statistical services to finance improvements in the recording, collection, analysis and reporting of State and local educational statistics.

As in 1963, all NDEA titles in the account are financed at the maximum authorized level, except for title III—grants and loans for strengthening science, mathematics, and foreign language instruction in elementary and secondary schools and title X—statistical services grants. For these programs, the amount requested is based on the anticipated ability of States to match and use these funds.

Grants for expansion of teaching in education of the mentally retarded

	<i>Appropriations</i>
Estimate 1963-----	\$1, 000, 000
Estimate 1964-----	1, 000, 000
Increase over 1963-----	-----

Funds are requested to continue at the level of maximum authorization the program of grants to State educational agencies and institutions of higher education to provide training for leaders in programs of education of the mentally retarded. This will be the fifth year of operation of this program. Through the end of 1964, it is estimated that 837 fellowships will have been awarded professional personnel for study in fields related to the education of mentally retarded children.

Expansion of teaching in the education of the deaf

	<i>Appropriations</i>
Estimate 1963-----	\$1,500,000
Estimate 1964-----	(1)

¹ Extension of existing legislation for 1 year is part of the administration's new legislative program.

Existing legislation expires on June 30, 1963; the administration's proposed education legislation would extend the existing program for another year at the present level. After 1964, the program of training teachers of the deaf would be included as part of a larger program to support training for teachers of all handicapped children.

Cooperative research

	<i>Appropriations</i>
Estimate 1963-----	\$6,985,000
Estimate 1964-----	17,000,000
Increase over 1963-----	10,015,000

A greatly broadened program of educational research, under cooperative agreements with colleges, universities, and State educational agencies, is proposed for 1964. Research development, conduct of research, field testing, demonstrations, and the dissemination of results will be stressed in an attempt to find solutions to persistent problems in education. The budget continues and expands the programs supported in past years (1) for development of curriculums in English and the social studies; (2) for special programs of identifying talented youths and fostering their special abilities; and (3) for supporting a broad range of research proposals initiated and suggested by educational researchers over the country, especially those dealing with curriculum developments. New areas of programed research to be begun in 1964 are curriculum development in the arts, improvement of teacher training programs, and expansion of efforts to overcome the obstacles to learning encountered by physically and culturally handicapped children.

Foreign language training and area studies

	<i>Appropriations</i>
Estimate 1963-----	
Estimate 1964-----	\$2,500,000
Increase over 1963-----	2,500,000

Under section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961, provisions are made for promoting modern foreign language training and area studies in the United States by supporting visits and study in foreign countries by American teachers and prospective teachers and by financing visits by foreign teachers to participate in language training and area studies in U.S. schools and universities. Responsibility for administration of this section of the act was delegated by the President to the Department of Health, Education, and Welfare by Executive Order 11034 and the Department has placed this program in the Office of Education.

The 1964 estimate will support grants for travel and full-time study abroad to such individuals as students who are training to be foreign area and language teachers, teachers at higher educational institutions in the United States, and elementary and secondary school foreign language teachers; summer seminars abroad on language and area studies; and grants for foreign teachers to come to the United States to teach in language centers or work with city, county, and State departments of education to improve curriculums and methods; and interchange of language teachers at the elementary and secondary school level.

Salaries and expenses

	<i>Appropriations</i>
Estimate 1963-----	\$12,299,000
Proposed supplemental 1963-----	600,000
Total estimate 1963-----	12,899,000
Estimate 1964-----	16,261,000
Increase over 1963-----	3,362,000

Public Law 85-905, which established the program of captioned films for the deaf, was amended in 1962 to increase the maximum annual authorization and to broaden the activities which can be undertaken to adapt this medium to the special needs of deaf persons. A supplemental appropriation of \$600,000 is requested in 1963 to support an expanded captioned film program for the remainder of this year. In 1964, an increase of about \$650,000 is requested to bring this program to the maximum authorized level of \$1,500,000.

The estimate for 1964 will permit the addition of 138 positions for continuing the strengthening of the statistical program in order to meet the need for more comprehensive and timely statistics on educational programs and problems; to meet additional workload in the administration of the expanded cooperative research program; to establish a Research Information Center as a central reference point for research in the field of education; to conduct research and provide consultative services in such fields as urban educational problems, economics of higher education, and development of adult education programs; to administer the new foreign language and area studies program and to expand the comparative education studies program; to extend services dealing with mentally retarded children; and to improve coordination, direction, and administration of Office programs.

NATIONAL EDUCATION PROGRAM

Proposed for separate transmittal 1964, \$1,215,170,000.

The administration's proposed education legislation provides a comprehensive program of Federal aid to meet selected and urgent needs of American education on all levels from elementary school through graduate education. The program would promote educational quality, expand opportunity for education, and increase the capacity of our educational institutions; it would provide for the Nation's needs in skilled manpower, national growth, and national security.

Opportunities for students to receive higher education would be expanded by increasing funds for student loans, initiating a system of insuring loans to students not eligible for direct loans, providing more graduate fellowships, and partially supporting student part-time campus employment. One hundred and nineteen million dollars would be required in 1964 to finance these programs.

Higher education would be strengthened through assistance for construction of higher education academic facilities and junior colleges, project grants for expansion of graduate schools and initiation of college-level technical education programs, support for construction of college libraries and acquisition of library materials, and extension of the modern foreign language and area studies program. Appropriations of \$557 million would fund these activities.

Educational quality would be improved through expansion of the teacher institute program, project grants to strengthen general and specialized teacher preparation programs, and broadened support for educational research and collection of State educational statistics. For these programs \$47 million would be needed in 1964.

Elementary and secondary education would be strengthened by grants to public schools to improve teacher salaries, meet critical classroom construction needs, and support special projects to improve educational quality, and by expansion of NDEA provisions for guidance and counseling and acquisition of science, mathematics, and foreign language instruction equipment. Requirements for 1964 under this part of the bill would be \$404 million.

The costs of extending the programs of school assistance in federally affected areas for 1 year are indicated above. In later years, certain amendments are proposed to bring these programs more nearly in line with their underlying justification.

Support for vocational education would be broadened and training of teachers of handicapped children would be expanded. Grants would be authorized to support construction of public libraries and expansion of library services in all areas. Other grant programs would strengthen adult education. Ninety million dollars would fund these activities in 1964.

VOCATIONAL REHABILITATION ADMINISTRATION

*Grants to States**Appropriations*

Estimate 1963-----	\$72,940,000
Estimate 1964-----	88,700,000
Increase over 1963-----	15,760,000

Other funds

	Research and training	Salaries and expenses
Estimate, 1963-----	\$25,500,000	\$2,480,000
Estimate, 1964-----	36,830,000	2,905,000
Increase over 1963-----	11,330,000	425,000

The 1964 budget estimate reflects the intent of this administration to achieve the maximum possible number of rehabilitations under the joint Federal-State program of supporting basic rehabilitation services. Grants to stimulate the extension and improvement of State rehabilitation programs will be increased in 1964; in addition, substantially increased support will be provided for the supplementary programs of research and training in areas important to the field of rehabilitation. As a result of these increases it is anticipated that 126,500 disabled individuals will be rehabilitated in 1964, an increase of 16,100 (almost 15 percent) over the estimated 1963 level.

GRANTS TO STATES

The budget proposes an increase of \$14,460,000 for distribution among the States for rehabilitation services grants. As in 1963, funds are requested to permit full Federal matching of State funds in those cases where they exceed what could be matched under the allotment base. With this provision, no State funds are estimated to remain unmatched under the basic joint Federal-State program.

The amount estimated to be obligated and utilized by the States under these provisions is \$85,700,000.

Increased efforts are also planned in 1964 to realize more fully the potential benefits of the extension and improvement program (sec. 3 of the Vocational Rehabilitation Act). The 1964 estimate provides \$3 million for this purpose, an increase of \$1.3 million over 1963.

RESEARCH AND TRAINING

A total of \$36,830,000 is requested in 1964 for the important research and training programs which provide needed support for further advances in rehabilitation. This is an increase of \$11,330,000 over the 1963 budget and represents a special effort to accelerate activity in these fields to keep pace with the constantly expanding rehabilitation program and to build a base for future expansion of rehabilitation services.

Of this increase, \$5.5 million is requested for research and demonstration projects in rehabilitation. It is estimated that 206 new projects may be initiated with the 1964 estimate. Special attention will be given to the rehabilitation of the mentally retarded, the mentally ill, the deaf, those with speech and hearing disorders, disabled public assistance recipients, and advances in rehabilitation medicine.

An increase of \$4.2 million is proposed for training programs which seek to overcome shortages of scarce manpower skills required to carry out the rehabilitation programs. Among the areas receiving further emphasis are training in rehabilitation counseling, medicine, speech and hearing, the deaf, and physical and occupational therapy.

An increase of \$1.3 million is requested for the continuation of the present four special rehabilitation research and training centers and for the establishment of two new ones. These special centers provide continuing comprehensive programs of clinical research and training to advance the rehabilitation of the disabled.

To supplement the overseas research programs in the field of rehabilitation that are financed from excess foreign currencies, \$300,000 is requested for necessary expenses in this country associated with the overseas projects. Purchase of equipment which is unobtainable elsewhere and support for experts visiting this country are two examples of activities to be financed from these funds.

SALARIES AND EXPENSES

The 1964 estimate provides for 21 additional positions to assist the States in improving their programs and to administer the expanding research and training programs.

PUBLIC HEALTH SERVICE

Community health activities

	<i>Appropriations</i>
Estimate, 1963-----	\$140,162,000
Estimate, 1964-----	156,729,000
Increase over 1963-----	16,567,000

The community health activities of the Public Health Service are financed through the following appropriations:

- Accident prevention.
- Chronic diseases and health of the aged.
- Communicable disease activities.
- Control of venereal diseases.
- Control of tuberculosis.
- Community health practice and research.
- Dental services and resources.
- Nursing services and resources.
- Hospital construction activities.

The elements of the 1964 estimate are shown in the tables below. Budgetary data for hospital construction activities are discussed under "Construction and construction grants."

Analysis by major activity

[In thousands of dollars]

	1963 estimate ¹	1964 estimate	Increase or decrease
Research grants-----	\$10,176	\$11,560	+\$1,384
Grants to States for general health-----	15,000	15,000	-----
Grants for public health training-----	7,900	8,095	+195
Chronic diseases and health of the aged:			
State grants-----	23,500	24,000	+500
Project grants-----	13,350	15,630	+2,280
Venereal disease control project grants-----	4,335	5,895	+1,560
Tuberculosis control:			
State grants-----	3,250	2,500	-750
Project grants-----	1,250	2,006	+756
Community immunization grants-----	² 12,100	10,205	-1,895
Migrant health services grants-----	² 1,500	2,500	+1,000
Training grants-----	9,438	9,773	+335
Nurse fellowships-----	316	316	-----
Direct operations-----	³ 38,047	49,249	+11,202
Total, analysis by major activity-----	140,162	156,729	+16,567

¹ For 1963, amounts include comparative transfers from the National Institutes of Health.

² Proposed supplemental.

³ Includes proposed supplemental of \$500,000 related to community immunization.

Analysis by program

[In thousands of dollars]

	1963 estimate	1964 estimate	Increase or decrease
Accident prevention.....	\$3, 660	\$4, 857	+\$1, 197
Chronic diseases and health of the aged.....	50, 963	55, 907	+4, 944
Communicable disease activities.....	1 24, 931	30, 429	-5, 498
Community health practice and research.....	2 29, 921	31, 648	+1, 727
Control of venereal diseases.....	7, 594	9, 588	+1, 994
Control of tuberculosis.....	6, 783	6, 828	+45
Dental services and resources.....	5, 431	6, 227	+796
Nursing services and resources.....	10, 879	11, 245	+366
Total, analysis by program.....	140, 162	156, 729	+16, 567

¹ Includes proposed supplemental of \$12,600,000 for community immunization grants and operations.² Includes proposed supplemental of \$1,500,000 for migrant health services grants.

In 1963, as a result of new legislation, additional funds are proposed for a community immunization program in the amount of \$12.6 million and for migrant health services grants in the amount of \$1.5 million. These estimates are included in the 1963 amounts. The 1964 estimate includes an increase of \$1 million for the migrant health services grants and a decrease of \$1.9 million in the community immunization grants. The 1964 budget provides for transfer of research grants in the community health area from the NIH to the Bureau of State Services to encourage emphasis in this area. The 1963 level of research grants in community health was \$10.2 million and the budget includes an increase of \$1.4 million. Included in this increase are funds to finance a proposed increase in indirect costs up to 25 percent effective January 1, 1964.

The budget also proposes a transfer of State control and project grants and professional and technical assistance funding from the NIH cancer, heart, and neurology and blindness appropriations to the chronic diseases and health of the aged appropriations because these programs are administered by the Bureau of State Services. Increases in these control programs include: \$0.5 million in cancer formula grants for case finding, rehabilitation, and other community services; \$1 million for neurological and sensory disease project grants to improve community services with particular emphasis on mental retardation activities; and \$1 million for other chronic disease project grants for applying and evaluating control methods and techniques.

An increase of \$1.6 million is included for venereal disease project grants to intensify the program to eradicate syphilis as a major public health problem. This program is directed toward application of epidemiological techniques of interview, contact investigations and cluster testing of every syphilis case reported.

In the tuberculosis control program it is proposed to further expand project grant support in order to concentrate on those areas where the tuberculosis problem is most serious. The increase of \$0.8 million is offset by a decrease in formula grant support of a comparable amount.

An increase of \$0.3 million is provided for dental training grants to improve utilization of dental manpower through greater use of dental assistants. This activity is also being transferred from the NIH.

A total increase of \$11 million is requested for direct operations. The major elements of this increase are; a program for the eradication of the aedes aegypti mosquito in nine States, Puerto Rico, and the Virgin Islands with a first year estimate of \$5 million, in accordance with commitments made by the United States to the other American nations; an increase of \$0.9 million to expand accident research including work on developing a driving simulator; an increase of \$2.2 million for communicable disease activities including an expansion of the national laboratory improvement program, training, and medical audiovisual services; an increase of \$1.9 million for the chronic diseases and health of the aged to extend restorative and health maintenance activities for the aged and to improve preventive efforts in heart disease and cancer control and in arthritis and neurological and sensory diseases; and \$0.4 million in the venereal disease program to expand research and evaluation activities in serologic services, development of an immunizing agent for syphilis and improvement of diagnostic techniques for gonorrhea.

Environmental health activities

	<i>Appropriations</i>
Estimate, 1963.....	\$65,629,000
Estimate, 1964.....	79,700,000
Increase over 1963.....	14,071,000

The environmental health activities of the Public Health Service include the following appropriations:

- Environmental health sciences.
- Air pollution control.
- Milk, food, interstate and community sanitation.
- Occupational health activities.
- Radiological health activities.
- Water supply and water pollution control.
- Grants for waste treatment works construction.

The tables below show the elements of the 1964 estimate. The budgetary data for waste treatment construction grants are discussed elsewhere.

Analysis by major activity

[In thousands of dollars]

	1963 estimate	1964 estimate	Increase or decrease
Research grants.....	\$13,412	\$19,371	+\$5,959
Fellowships.....	300	450	+150
Training grants.....	5,029	7,019	+1,990
Control program grants.....	5,000	5,000	-----
Demonstration grants.....	500	625	+125
Program development grants.....	1,500	2,000	+500
Direct operations.....	39,888	45,235	+5,347
Total.....	65,629	79,700	+14,071

Analysis by program

[In thousands of dollars]

	1963 estimate	1964 budget	Increase or decrease
Environmental health sciences.....	\$2,236	\$4,246	+\$2,010
Air pollution.....	11,062	12,998	+1,936
Milk, food, interstate and community sanitation.....	7,771	9,079	+1,308
Occupational health activities.....	4,121	4,621	+500
Radiological health activities.....	15,788	18,776	+2,988
Water supply and water pollution control.....	24,651	29,980	+5,329
Total.....	65,629	79,700	+14,071

As indicated in the tables above, the 1964 budgets call for increases of over \$14 million in support of the Public Health Service's expanding efforts in the environmental health area. The largest increase proposed in 1964 is for continued and supplemental support of existing research grants and for a new basic research grant program in a proposed new account for "Environmental health sciences." The total research grants increase is about \$6 million of which \$1.6 million is for new research grants in the proposed account.

In line with increasing demands for trained environmental scientists and technicians, training programs in environmental health will receive additional support under the 1964 proposals. Training grants are increased by \$2 million with the major addition occurring in water pollution, air pollution, and radiological health.

Fellowship awards and demonstration grants are increased in the water pollution area in 1964 by \$150,000 and \$125,000 respectively.

State program development formula grants in radiological health are proposed at a \$500,000 higher level in 1964. This will enable the States to improve their comprehensive radiological health programs.

An increase of over \$5.3 million is proposed for direct operations in the environmental health appropriations, with the principal increases occurring in the following areas:

(1) Environmental health sciences, \$0.3 million. Research on problems of common interest to all environmental health divisions will be undertaken in the areas of toxicology, pharmacology, physiology, and analytical methods and instrumentation.

(2) Air pollution, \$0.4 million. Additional activity in the research area will be directed toward the study of the potential for improved air pollution control through modification of automotive engine design and mesoscale studies concerned with the movement of air pollution along major urbanized metropolitan regions.

(3) Radiological health, \$1.3 million. This increase will be used to expand and accelerate ongoing work in selected program areas such as epidemiological studies to investigate dose-effect correlations of radiation exposure, mass surveys of medical X-rays and correction of unnecessary exposure from these sources, and short-term training courses.

(4) Water pollution, \$3.2 million. This increase will be used principally to expand work on certain comprehensive river basin programs for water pollution control and to activate new enforcement field studies and investigations.

Hospitals and medical care

	<i>Appropriations</i>
Estimate, 1963-----	¹ \$48,857,000
Estimate, 1964-----	50,038,000
Increase over 1963-----	1,181,000

¹ Includes proposed supplemental of \$1,255,000.

The Public Health Service hospitals and outpatient clinics provide medical care for various groups of Federal beneficiaries, primarily American seamen, narcotic addicts, coast guardsmen, and dependents of the uniformed services.

The 1964 estimates provide for continuation of the 1963 program level, with small staffing increases related primarily to: (1) the establishment of pediatric units at three of the general hospitals to permit continuation of the training program, and (2) the expansion of the existing research program in the Public Health Service hospitals. Other increases in funds are requested to meet the costs of the pay increase recently enacted, and to improve the levels of patient supplies and drugs.

Foreign quarantine activities

	<i>Appropriations</i>
Estimate, 1963-----	¹ \$5,911,000
Estimate, 1964-----	7,116,000
Increase over 1963-----	1,205,000

¹ Includes proposed supplemental of \$19,000.

The increase proposed in 1964 is due primarily to increases for mandatory items totaling \$1,068,000. These increases, which include \$303,000 for Pay Act costs and \$660,000 for rental of space for inspectional units at international airports, are partially offset by reductions for nonrecurring items in the amount of \$242,000.

A proposed increase of 25 positions and \$379,000 would permit the staffing of new visa medical examining units in Manila, Philippines, and Monterrey, Mexico, and increases in staff at nine other locations; and other minor items.

Indian health activities

	<i>Appropriations</i>
Estimate 1963-----	¹ \$56,443,000
Estimate 1964-----	58,985,000
Increase over 1963-----	2,542,000

¹ Includes proposed supplemental of \$1,055,000.

The Indian health program provides medical care and public health services for Indians and Alaska natives in 47 general hospitals and outpatient clinics

and 3 tuberculosis sanatoriums. The 1964 estimate for hospital health services will provide for increased costs related to the recent Pay Act and a program increase of 73 positions and \$1,055,000 to meet anticipated increases in the numbers of patients treated. The total average daily inpatient load is expected to increase from 2,320 in 1963 to 2,365 in 1964, with outpatient visits increasing from 687,600 to 694,000.

A similar increase (from 915 to 928) is expected to occur in average daily contract patient loads. These represent patients who are hospitalized in non-Federal hospitals and are provided medical care by private physicians where Indian hospital or medical care facilities are not available. An additional amount of \$823,000 will provide for the increased workload, an increase in costs and for expanded professional field supervision.

Field services programs, including preventive medical care, public health, and related services will also be expanded.

National Institutes of Health

	<i>Appropriations</i>
Estimate 1963-----	\$842, 040, 000
Estimate 1964-----	930, 454, 000
Increase over 1963-----	88, 414, 000

The details of the 1964 estimate are shown by activity in the following table:

National Institutes of Health appropriations

[In thousands of dollars]

	1963 operating	1964 estimate	Increase (+) or decrease (-)
Grants:			
Research-----	\$468, 932	\$541, 231	+\$72, 299
Fellowships-----	40, 922	45, 786	+4, 864
Training-----	145, 297	172, 602	+27, 305
State control programs-----	10, 950	10, 950	-----
Total, grants-----	666, 101	770, 569	+104, 468
Direct operations:			
Research-----	67, 991	71, 138	+3, 147
Collaborative studies-----	56, 208	58, 060	+1, 852
Biologics standards-----	3, 947	4, 787	+840
Training activities-----	1, 001	1, 465	+464
Professional and technical assistance-----	2, 926	3, 998	+1, 072
Review and approval-----	13, 461	15, 171	+1, 710
Program direction (including international research)-----	5, 002	5, 266	+264
Total, direct operations-----	150, 536	159, 885	+9, 349
Unobligated balances and reserves-----	25, 403	-----	-25, 403
Total, National Institutes of Health-----	842, 040	930, 454	+88, 414

By appropriation the proposed budget is as follows:

[In thousands of dollars]

	1963 operating	1964 estimate	Increase (+) or decrease (-)
General research and services-----	\$154, 896	\$164, 674	9, 778
Biologics standards-----	3, 947	4, 787	840
National Cancer Institute-----	145, 368	145, 114	-254
Mental health activities-----	143, 200	190, 096	46, 896
National Heart Institute-----	129, 228	133, 624	4, 396
National Institute of Dental Research-----	18, 762	19, 809	1, 047
Arthritis and metabolic diseases-----	102, 892	114, 717	11, 825
Allergy and infectious diseases-----	64, 586	69, 226	4, 640
Neurology and blindness activities-----	79, 161	88, 407	9, 246
Total, NIH-----	842, 040	930, 454	88, 414

The estimate proposed for the regular research grant program contains the principal increase in NIH in 1964. It will provide for financing all costs associated with continuing research projects, including supplemental requirements and \$107.2 million for wholly new research projects. This is an increase of \$15.7 million above the amount estimated for new projects in 1963 reflecting a proposed expansion in the mental health and mental retardation programs. Twelve million dollars of the increase for new grants will be used for a program of special project grants to State mental hospitals to carry out demonstrations of high-quality patient care. Increases are also proposed in regular research grant programs to provide full-year costs of funding indirect costs of research at 20 percent in 1964. In addition, it is proposed to further increase the ceiling on indirect costs to 25 percent beginning January 1, 1964. The additional amount needed for funding indirect costs at higher levels in 1964 is about \$18.6 million.

Special research grant programs will decrease by about \$8 million in 1964. This is the net effect of the following proposals:

(1) A reduction of about \$8 million in the general clinical and categorical research centers programs reflecting decreased capital improvement requirements. The amounts proposed would support the cost of continuing operation of the centers established through 1963, plus allowing several new general research center awards;

(2) A decrease of about \$0.7 million in the International Centers for Medical Research training program. The proposal provides for funding the continuing costs of the six existing centers;

(3) An increase of about \$0.7 million for primate centers and scientific evaluation grants; and

(4) Maintaining general research support grants, special resource centers and the Gorgas Memorial Laboratory at the 1963 program level.

The NIH training programs—research fellowships awards and training grants—will be increased significantly in 1964 over the 1963 level. The increase is \$32.2 million, of which \$20.2 million is in the National Institute of Mental Health, reflecting principally a broad expansion of the mental health program in order to develop the trained manpower for a broadened program of attack on the problems of mental health and mental retardation.

State control programs are maintained at the 1963 level.

NIH intramural programs, or direct operations, are increased by a total of \$8.9 million; the principal elements of which are as follows:

[In millions of dollars]

Direct research.....	\$3.1
Collaborative studies.....	1.9
Review and approval.....	1.7
Professional and technical assistance.....	1.1
Biologics standards.....	.8
All other.....	.3

National Health Statistics

	<i>Appropriations</i>
Estimate 1963.....	\$5,150,000
Estimate 1964.....	5,949,000
Increase over 1963.....	799,000

The 1964 proposed program level provides increases in the current program for collection, analysis, and dissemination of health statistics, studies of health survey methods and technical assistance in their application in health and medical fields.

National Library of Medicine

	<i>Appropriations</i>
Estimate 1963.....	\$3,335,000
Estimate 1964.....	4,074,000
Increase over 1963.....	739,000

The increase proposed in 1964 is primarily related to the acquisition and first-year operation of computer equipment and related activities of the medical literature analysis and retrieval system. In addition the foreign medical language translation system will be given some increased support.

*Salaries and expenses, Office of the Surgeon General**Appropriations*

Estimate 1963.....	\$5,663,000
Estimate 1964.....	6,091,000
Increase over 1963.....	428,000

Limited increases are proposed for strengthening staff services to the Surgeon General, and to cover increased costs resulting from the 1962 Pay Act.

*Retired pay of commissioned officers (indefinite account)**Appropriations*

Estimate 1963.....	\$5,784,000
Estimate 1964.....	6,436,000
Increase over 1963.....	652,000

The increase in 1964 is due to an anticipated increase in the number of persons on the retirement rolls and dependents seeking medical care.

Construction and construction grants, Public Health Service

[In thousands of dollars]

	Appropriations		
	1963 enacted	1964 estimate	Increase (+) or decrease (-)
Building and facilities.....	\$33,200	\$19,072	\$-14,128
Construction of Indian health facilities.....	9,335	6,096	-3,239
George Washington Hospital construction.....		2,500	+2,500
Hospital construction activities.....	226,211	179,514	-46,697
Grants for waste treatment works construction.....	90,000	100,000	+10,000
Grants for construction of health research facilities.....	50,000	50,000	0
Total.....	408,746	357,182	-51,564

The decrease of about \$51 million in construction and construction grants results principally from a \$50 million reduction in Hill-Burton grants for general hospital beds reflecting a shift in emphasis to rehabilitation of existing facilities and to more construction of long-term patient care facilities. Under proposed legislation the authorization for such facilities would be substantially increased in 1964 and subsequent years. There is also in this account a reduction in direct PHS and Indian health facilities construction totaling \$17.3 million. These decreases are partially offset by an increase of \$10 million in grants for waste treatment works construction up to the maximum authorization of \$100 million.

Grants for health research facilities are again proposed at the maximum authorization of \$50 million.

The 1964 budget also contains \$2,500,000 for a special construction grant to the George Washington University Hospital in Washington, D.C., under special legislation enacted in the last session of Congress.

The projects included in the 1964 estimate for buildings and facilities are identified below:

Environmental health center (1st phase).....	\$2,761,000
Water pollution control laboratories.....	6,290,000
Arctic Health Research Center.....	500,000
Extension of Clinical Center Cafeteria, NIH.....	360,000
Library relocation, NIH.....	900,000
Warehouse extension, Building 13, NIH.....	780,000
Construction, Mental-Health-Neurology Cafeteria, NIH.....	800,000
Construction of Biologics Standards Laboratory Annex, NIH.....	4,300,000
Repairs and improvements:	
1. Bureau of State Services.....	415,000
2. National Institutes of Health.....	1,966,000

Total, buildings and facilities..... 19,072,000

CONSTRUCTION OF INDIAN HEALTH FACILITIES

The estimate proposes continuation of the policy of planned construction of medical and sanitation facilities to meet more adequately the needs of the Indian population. The projects included in the estimate are listed below:

Hospitals and clinics:

Point Barrow, Alaska, (funds to complete equipping the new hospital)-----	1964 estimate
Construction of two health centers and five health stations-----	\$63, 000
Personnel quarters-----	770, 000
Alterations-----	482, 000
Sanitation facilities-----	781, 000
	4, 000, 000
Proposed appropriation-----	6, 096, 000

Emergency Health Activities

	<i>Appropriations</i>
Estimate 1963-----	\$7, 000, 000
Estimate 1964-----	41, 361, 000
Increase over 1963-----	34, 361, 000

The emergency health activities conducted by the Public Health Service include the acquisition of stocks for the medical stockpile, maintenance of the stockpile, emergency health training, and the development of plans and programs for community preparedness in case of war or disaster.

The estimate for 1964 includes increased funds primarily related to the purchase of about 280 additional emergency hospitals, the replacement of deteriorated materials, and the acquisition of supply additions to earlier model prepositioned hospitals. Other activities for which additional funds are requested include inspection, underground storage, maintenance, and rehabilitation of existing components, as well as some expansion of the planning and training programs.

PROPOSED LEGISLATION

Hospital construction activities

Supplemental proposed for later transmittal 1964, \$35 million.

Legislation will be proposed to amend the Hill-Burton Act to permit program adjustments to meet changing needs in medical care facilities. These include extension of construction grants for modernization of hospitals, increasing the authorization for grants for nursing homes, and authorization for comprehensive planning grants to stimulate statewide and regional planning for a balanced program of medical facility construction. Funds proposed for 1964 will provide planning grants and grants for nursing home construction.

Health professions education assistance

Supplemental proposed for later transmittal, \$34,352,000.

Legislation is recommended to authorize a 10-year program of (1) grants to assist in the construction and rehabilitation of schools of medicine, nursing, dentistry, osteopathy, public health, and other health professional schools; (2) grants for the planning of such schools; and (3) loans to students accepted for admission to such schools.

ST. ELIZABETHS HOSPITAL

Salaries and expenses

	Appropriations	Reimbursable and other income	Total funds available
Estimate, 1963-----	¹ \$6, 263, 000	\$19, 354, 000	¹ \$25, 617, 000
Estimate, 1964-----	9, 716, 000	17, 697, 000	27, 413, 000
Increase over 1963-----	3, 453, 000	-1, 657, 000	1, 795, 000

¹ Excludes \$69,000 currently held in reserve.

*Buildings and facilities**Appropriations*

Estimate 1963-----	\$8, 095, 000
Estimate 1964-----	627, 000
Increase over 1963-----	—7, 468, 000

Programs of St. Elizabeths Hospital are financed from the Federal appropriation and from reimbursements for care and treatment of sponsored patients. A change from a definite to an indefinite appropriation is proposed for 1964. The purposes of the change are: (1) to give greater stability to the income of the hospital, thus permitting improved management, (2) to increase the financial incentives for the District of Columbia (from which 70 percent of St. Elizabeths' patients come) and for the hospital to work out cooperative arrangements for outplacement in lower cost facilities of patients who no longer need to be in a mental hospital, and (3) to provide for the continuation of financing by this appropriation of certain costs—e.g., research and training—which are less directly related to patient care. The changed financing plan would place the District of Columbia financing on a basis comparable with the median of the top 10 percent of State hospital costs.

Increases in the 1964 appropriation are primarily the result of (a) a change in the method of financing the hospital; (b) the full-year cost in 1964 of the increased staff provided on a part-year basis in 1963; (c) significant expansion of the training and research activities; and (d) enactment of the Federal Salary Reform Act of 1962.

The reduction in "Buildings and facilities" results primarily from the non-recurring costs of construction of a new treatment facility for which funds were appropriated in 1963. The 1964 estimate provides for continuation of a program of modernization and repair of the existing physical facilities of the hospital.

Funds requested will provide for (a) rewiring and extension of electrical facilities in hospital buildings, (b) alterations of hospital X-ray facilities, (c) establishment of a central sterile supply unit, (d) replacement of steam service lines, (e) replacement of insect screens in patient treatment buildings, (f) alterations to the tuberculosis building, (g) replacement of sanitary sewers under the laundry road, (h) modernization of dishwashing facilities, and, (i) construction of a small addition to the hospital powerplant.

SOCIAL SECURITY ADMINISTRATION

Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance

	<i>Appropriations from trust funds</i>
Estimate, 1963-----	\$280,400,000
Proposed supplemental, 1963-----	6,314,000
Total estimate, 1963-----	286,714,000
Estimate, 1964-----	317,900,000
Increase over 1963-----	31,186,000

Funds appropriated under this title support the administration of the Federal old-age, survivors, and disability insurance program.

The budget for salaries and expenses of the Bureau of Old-Age and Survivors Insurance is based on the estimated volume of work necessary to carry out the provisions of the Social Security Act which in turn are based on demographic, economic, and other factors. The 1964 budget reflects the continued efforts of the Bureau to obtain greater efficiency and output of work through increased productivity and technological improvements. The 1963 supplemental request is necessary because of Federal pay and postal rate increases authorized by Public Law 87-793.

In fiscal year 1964, almost 4 million claims for old-age, survivors, and disability insurance benefits will be filed with the Bureau of Old-Age and Survivors Insurance. An estimated 20.1 million persons will be receiving benefits by the end of the fiscal year and payments of \$15.9 billion will be made during the fiscal year under the old-age, survivors, and disability insurance program.

Overall workloads of the Bureau will increase about 5 percent in 1964. The increase in the 1964 budget is due to this greater workload, from rising costs resulting from improvements in the disability determinations process, and Federal salary increases.

International Social Security Association meeting

	<i>Appropriations</i>
Estimate, 1963-----	\$5,000
Estimate, 1964-----	95,000
Increase over 1963-----	90,000

The International Social Security Association is composed of national social security institutions, organizations, and Government departments administering social insurance. A general meeting of the 190 member institutions from 82 countries is held every 3 years. The United States will act as host for the next meeting to be held in 1964. The 1964 estimate will provide the funds to continue planning the conference, to cover expenses incidental to the conduct of the meeting and to meet postconference expenses.

NEW LEGISLATION

Health insurance for the aged

The administration will again propose legislation to provide health insurance for the aged to be financed through contributions to the social security trust fund. This proposal will not affect budgetary requirements in fiscal year 1964.

Reimbursement to the trust fund for military service credits

	<i>Appropriations</i>
Estimate, 1963-----	
Proposed for separate transmittal, 1964-----	\$63,400,000

The purpose of this proposed appropriation would be to reimburse the old-age, survivors, and disability insurance trust fund for benefits paid to persons who earned credits during certain periods of military service when no contributions to the trust fund were required. The estimate would be the first of 10 installments to be authorized under proposed amendments to legislation, extending the period in which repayment would be made to the trust fund.

WELFARE ADMINISTRATION

Grants to States for public assistance

	<i>Appropriations</i>
Estimate, 1963-----	\$2, 538, 300, 000
Proposed supplemental, 1963-----	210, 000, 000
Total estimate, 1963-----	2, 748, 300, 000
Estimate, 1964-----	2, 950, 000, 000
Increase over 1963-----	201, 700, 000

The Public Welfare Amendments of 1962 made far-reaching changes in the Federal public assistance programs designed to strengthen and improve the programs and to increase their effectiveness in reducing and preventing dependency. The amendments increased the Federal share of some assistance payments, broadened and extended the program of aid to families with dependent children, liberalized certain provisions of the old-age assistance program, permitted States to combine all adult assistance programs into a single assistance category, and increased from 50 to 75 percent the Federal share of the cost of providing defined preventive and rehabilitative services and costs of inservice training for State and local welfare personnel. In addition to the program changes made by legislative action, the Secretary of Health, Education, and Welfare took a number of administrative actions affecting public assistance. The major action affecting the public assistance budget provides for the extension of assistance to needy persons on conditional release from mental institutions.

A supplemental appropriation of \$210 million is requested in 1963 to carry out the provisions of the Public Welfare Amendments of 1962 and the additional costs of assistance for conditionally released mental patients. The increase in 1964 is primarily due to a further implementation of the Public Welfare Amendments of 1962 which will be effective for a full year in 1964, as contrasted with the fact that they are in effect for only part of the 1963 fiscal year. There will be some increases in all categorical assistance programs as a result of these amendments, with the largest increase in old-age assistance. In addition, the budgeted levels for medical assistance for the aged will rise due to a growth in the number of States with approved programs and a rise in estimated average annual payments under these programs. An increase of \$2 million is requested for demonstration projects which experiment with new concepts and methods of dealing with the problems of public assistance recipients.

Training of public welfare personnel

	<i>Appropriations</i>
Estimate, 1963-----	
Estimate, 1964-----	\$2, 000, 000
Increase over 1963-----	2, 000, 000

Action to alleviate the acute shortage of trained public assistance social workers is an increasingly urgent necessity because of program expansions and the need under the 1962 welfare amendments to stress constructive services to assistance recipients and to those likely to become dependent. In 1964, \$2 million is requested to initiate a program of training and instruction in professional and technical fields relating to public assistance.

The 1964 estimate will provide traineeships and fellowships for about 200 students preparing for employment in public assistance; highly specialized training directed at reducing dependency will be provided directly and through contracts to about 750 key State and local public welfare personnel.

Assistance for repatriated U.S. nationals

	<i>Appropriations</i>
Estimate, 1963-----	\$402, 000
Estimate, 1964-----	500, 000
Increase over 1963-----	98, 000

The 1964 estimate provides \$333,000 for hospitalization and services for repatriated mentally ill U.S. nationals and \$167,000 for assistance to needy U.S. citizens (other than the mentally ill) returned from foreign countries.

Salaries and expenses, Bureau of Family Services

	<i>Appropriations</i>
Estimate, 1963-----	\$3, 650, 000
Proposed supplemental, 1963-----	452, 000
Total estimate, 1963-----	4, 102, 000
Estimate, 1964-----	5, 400, 000
Increase over 1963-----	1, 298, 000

The Bureau of Family Services administers the public assistance programs of the Department of Health, Education, and Welfare. This agency is responsible for leadership and the protection of the Federal interest in assistance programs totaling \$5 billion that are administered through States and localities.

The 1963 supplemental estimate requests 95 additional positions to handle the increased workloads, such as program planning, administrative review of State operations, and approval of State plans, workloads due to the Public Welfare Amendments of 1962. For this purpose \$313,000 is requested and an increase of \$139,000 is needed to meet increased Federal pay and postal costs.

An additional 31 positions are requested in 1964 for further strengthening the Bureau's program services and for meeting the additional responsibilities created by the 1962 amendments.

Grants for maternal and child welfare

	<i>Appropriations</i>
Estimate, 1963-----	\$75, 795, 000
Proposed supplemental, 1963-----	3, 650, 000
Total estimate, 1963-----	79, 445, 000
Estimate, 1964-----	87, 000, 000
Increase over 1963-----	7, 555, 000

The Public Welfare Amendments of 1962 provided for phased increases in the maximum authorizations for child welfare services, with up to \$10 million in excess of \$25 million earmarked for day care services. In addition, the amendments authorized the initiation of a new program of grants for training child welfare personnel. In 1963, a supplemental is requested which includes \$3 million for grants for extending day care services to areas which need them and improving and expanding existing programs and \$650,000 for training of child welfare personnel to help overcome the shortage of skilled child welfare workers and permit acceleration of the effort to provide child welfare services to all political subdivisions of States by 1975. Both of these programs will permit more supplementary constructive services to be offered to families who receive aid to dependent children under the public assistance programs.

In 1964, funds for child welfare grants will be increased by \$5 million to provide a total of \$8 million to further extend day care services. The remaining increase of \$2,550,000 will be used to expand research, demonstration, and training projects in child welfare, with special emphasis on projects in child welfare, with special emphasis on projects dealing with the field of mental retardation.

Salaries and expenses, Children's Bureau

	<i>Appropriations</i>
Estimate 1963-----	\$2, 850, 000
Proposed supplemental 1963-----	133, 000
Total estimate 1963-----	2, 983, 000
Estimate 1964-----	3, 401, 000
Increase over 1963-----	418, 000

The Children's Bureau investigates and reports on the health and welfare of children and administers grants for maternal and child health services, crippled children's services and child welfare services and offers consultative and technical services in the child health and welfare area, including assistance to communities and States on juvenile delinquency problems and programs.

The Welfare Amendments of 1962 stress the fuller coordination of child welfare services with the program of aid to families with dependent children that is administered by the Bureau of Family Services. These amendments also authorize grants to States for day care services and to institutions of higher education for training of child welfare workers. To accomplish these objectives and administer these new programs, staff will be increased under a proposed supplemental of \$61,000 in 1963. A supplemental of \$72,000 is requested to finance increased Federal pay and postal costs.

A staff increase of seven positions is requested in 1964 to strengthen Bureau efforts in the mental retardation field; in addition, increases are requested for the second step of Federal pay costs and to carry for a full year staff added in 1963.

Assistance to refugees in the United States

	<i>Appropriations</i>
Estimate 1963-----	\$70,110,000
Estimate 1964-----	70,000,000
Decrease from 1963-----	-110,000

A program to assist Cuban refugees in the United States was established by President Kennedy in 1961 and was financed from funds transferred to this Department. In 1962, Public Law 87-510 was enacted providing authorization for specific appropriations for this program and any other needy refugee groups. Under funds appropriated directly to this Department in 1963, the Cuban refugees in the United States were provided reception and registration services, assistance and welfare services for the needy, resettlement and employment opportunities, and education and health services.

The amount requested for 1964 assumes a continuation of approximately the same caseload levels and costs.

Juvenile delinquency and youth offenses

	<i>Appropriations</i>
Estimate 1963-----	\$5,810,000
Estimate 1964-----	13,200,000
Increase over 1963-----	7,390,000

This is a new program which was begun in fiscal year 1962. A major portion of the increase shown above is required for post-1964 costs of demonstration projects initiated in fiscal years 1963 and 1964.

Office of Aging

	<i>Appropriations</i>
Estimate 1963 ¹ -----	\$479,000
Supplemental estimate 1963 ¹ -----	18,000
Total estimate 1963 ¹ -----	497,000
Estimate 1964-----	545,000
Increase over 1963-----	48,000

¹ Amounts in 1962 and 1963 reflect comparative transfers from Office of the Secretary and Office of Field Administration.

The aging program will be given increased stature by creating a new appropriation under this title in 1964. The increase requested will allow continuation of this program at its current level.

NEW LEGISLATION

Grants for comprehensive maternal and child health services

	<i>Appropriations</i>
Proposed for separate transmittal 1964-----	\$17,250,000

The administration will propose legislation to improve the Federal-State maternal and child health programs through project grants for comprehensive services for mothers and children. This care will be particularly directed at groups where previously inadequate care has increased the health hazards of children and the incidence of mental retardation.

SOCIAL SECURITY ADMINISTRATION/WELFARE ADMINISTRATION

Cooperative research or demonstration projects in social security

	<i>Appropriations</i>
Estimate 1963-----	\$1,100,000
Estimate 1964-----	2,000,000
Increase over 1963-----	900,000

The Social Security Act authorizes grants to States and public and nonprofit organizations and contracts or jointly financed cooperative arrangements for the conduct of research or demonstration projects in social security.

The 1964 estimate will support the initiation of approximately 28 new projects concerning the prevention and reduction of dependency, coordination of planning between private and public welfare agencies, and improvement of the administration and effectiveness of programs related to social security.

Salaries and expenses, Office of the Commissioner

	Appropriations from general funds	Appropriations from trust funds	Total
Estimate 1963.....	\$706,000	\$418,000	\$1,124,000
Proposed supplemental 1963.....	26,000	18,000	44,000
Total estimate 1963.....	732,000	436,000	1,168,000
Estimate 1964.....	1,025,000	602,000	1,627,000
Increase over 1963.....	293,000	166,000	459,000

Eleven additional positions are requested in 1964 primarily for direction, coordination, appraisal, and development of the social security and welfare programs. The 1963 supplemental is requested to meet increased Federal pay and postal costs.

SPECIAL INSTITUTIONS

American Printing House for the Blind

	<i>Appropriations</i>
Estimate 1963.....	\$739,000
Estimate 1964.....	775,000
Increase over 1963.....	36,000

Federal grants are made to this nonprofit institution in Louisville, Ky., to support the manufacture of books and teaching materials for the blind, and to permit distribution of these materials to all public educational institutions for the blind, as well as to State departments of education.

The request for fiscal year 1964 is \$775,000, of which \$41,000 is earmarked for staff and other expenses relating to three advisory committees. The remainder of \$634,000, when taken together with the \$10,000 permanent appropriation, will provide the estimated 17,691 eligible blind pupils in public schools, an increase of 850 over 1963, with educational materials valued at about \$42 per capita, the same rate provided in fiscal year 1963.

Freedmen's Hospital

	Appropriations	Fees and other income	Total funds available
Estimate 1963.....	\$3,909,000	\$2,335,000	\$6,237,000
Estimate 1964.....	3,880,000	2,962,000	6,842,000
Change from 1963.....	-29,000	+627,000	+605,000

The appropriation for 1964 will provide for the full year operation of a new 50-bed full pay pavilion for general medical and surgical cases; this unit, which will be operational for only a part of fiscal year 1963, utilizes currently vacant space in the annex building.

Other increases for 1964, consisting primarily of (1) a continuation of a phased program to expand the medical resident training program, (2) expansion of patient care and auxiliary service staff, and (3) higher pay costs will be offset by an anticipated higher level of reimbursements.

Gallaudet College

	Appropriations	Fees and other income	Total funds available
Operations:			
Estimate, 1963	\$1, 458, 000	\$733, 000	\$2, 191, 000
Proposed supplemental, 1963	22, 000	-----	22, 000
Total estimate, 1963	1, 480, 000	733, 000	2, 213, 000
Estimate, 1964	1, 697, 000	821, 000	2, 518, 000
Increase over 1963	217, 000	88, 000	305, 000
Construction:			
Estimate, 1963	1, 065, 000	-----	-----
Estimate, 1964	2, 919, 000	-----	-----
Increase over 1963	1, 854, 000	-----	-----

A 1963 supplemental is intended to provide nonfaculty employees at the college with salary increases comparable to those granted Federal employees by the Federal Salary Reform Act of 1962.

The 1964 budget estimate for Gallaudet College is designed to accommodate steadily rising enrollments through (1) strengthening of the instructional and maintenance staff, (2) provision for increased operating costs, and (3) expansion of the existing physical plant. The budget provides for 12 new full-time faculty positions and other supporting staff; funds are also included for construction of two new dormitories and planning for a third in anticipation of further growth in the student body.

In general terms, the 1964 request continues the Federal Government's policy of insuring that deaf youths should be afforded the fullest opportunity to develop their intellectual capacities at an educational institution particularly suited to their needs.

Howard University

	Appropriations	Fees and other income	Total funds available
Operations:			
Estimate, 1963	\$7, 492, 000	\$6, 328, 000	\$13, 820, 000
Proposed supplemental, 1963	443, 000	-----	443, 000
Total estimate, 1963	7, 935, 000	6, 328, 000	14, 263, 000
Estimate, 1964	8, 819, 000	6, 500, 000	15, 319, 000
Increase over 1963	884, 000	172, 000	1, 056, 000
Construction:			
Estimate, 1963	5, 617, 000	-----	-----
Estimate, 1964	6, 245, 000	-----	-----
Increase over 1963	628, 000	-----	-----

The 1963 supplemental is intended to provide for adjustment of faculty and non-faculty-salary scales and for newly required university contributions under the District unemployment compensation program.

The 1964 operations budget is designed primarily to provide for (1) improvements in the instructional program, (2) accommodation of increased enrollment and (3) rehabilitation of the existing physical plant. Funds are included for merit salary increases; 29 new teaching positions together with supporting personnel; additional educational supplies and equipment; improvement in library services and the book collection; and a greatly strengthened maintenance staff.

The construction request provides for a new men's dormitory building, various improvements to the existing campus, and purchase of a site for university expansion. Also included are planning funds for a new university hospital and a women's physical education building.

The overall 1964 request for Howard University supports the administration's policy of achieving and maintaining standards that are equivalent to comparable first rate institutions offering broad and diversified programs of instruction and research.

OFFICE OF THE SECRETARY

Salaries and expenses, Office of the Secretary

	Appropriations	Transfers ¹	Total
Estimate, 1963 ²	\$2,300,000	\$359,000	\$2,659,000
Supplemental estimate, 1963 ²	91,000	17,000	108,000
Total estimate, 1963 ²	2,391,000	376,000	2,767,000
Estimate, 1964.....	2,918,000	467,000	3,385,000
Increase over 1963.....	527,000	91,000	618,000

¹ From Federal old-age and survivors insurance trust fund.² Excludes comparative transfers to the Office of Aging.

The increase requested for the Office of the Secretary relates mainly to (1) the administrative impact of new legislation and increased public interest in the Department's programs, and (2) the need for a continuing operations analysis of the Department's programs to develop recommendations for improving service, reducing costs, and streamlining operations wherever possible.

Office of Field Administration

	Appropriations	Transfers ¹	Total
Estimate, 1963 ²	\$3,124,000	\$1,495,000	\$4,619,000
Supplemental estimate, 1963 ²	125,000	45,000	170,000
Total estimate, 1963 ²	3,249,000	1,540,000	4,789,000
Estimate, 1964.....	3,834,000	1,337,000	5,171,000
Increase over 1963.....	585,000	-203,000	382,000

¹ From Federal old-age and survivors insurance trust fund and operating fund, Bureau of Federal Credit Unions.² Excludes comparative transfer to the Office of Aging.

The increase for the Office of Field Administration is the net result of (1) increased funds required to service the Department's expanding programs in the field, and (2) a decrease resulting from elimination of manual payrolling in regional offices and conversion to a centralized electronic payroll system operated under the Department's working capital fund.

Surplus property utilization

	<i>Appropriations</i>
Estimate, 1963.....	\$870,000
Supplemental estimate, 1963.....	21,000
Total estimate, 1963.....	891,000
Estimate, 1964.....	950,000
Increase over 1963.....	59,000

The increase for 1964 provides for increased pay costs.

Office of the General Counsel

	Appropriations	Transfers ¹	Total
Estimate, 1963.....	\$804,000	\$725,000	\$1,529,000
Supplemental estimate, 1963.....	20,000	15,000	35,000
Total estimate, 1963.....	824,000	740,000	1,564,000
Estimate, 1964.....	1,055,000	900,000	1,955,000
Increase over 1963.....	231,000	160,000	391,000

¹ From Federal old-age and survivors insurance trust fund and Food and Drug Administration.

The 1964 request provides additional staff to meet the increase in legal services resulting from the Department's expanding programs, the most significant increase relating to expanded activities of the Food and Drug Administration.

Educational television facilities

	<i>Appropriations</i>
Estimate, 1963.....	
Supplemental estimate, 1963.....	\$2, 000, 000
Estimate, 1964.....	7, 000, 000
Increase over 1963.....	5, 000, 000

The proposed supplemental in 1963 will initiate the program of grants on a matching basis for construction of educational television broadcasting facilities authorized by Public Law 87-447 approved May 1, 1962. The estimate for 1964 will provide additional grants for the purchase and installation of transmission equipment to be used by noncommercial educational television stations.

SPECIAL FOREIGN CURRENCY PROGRAMS

	<i>Appropriations</i>
Estimate 1963.....	\$5, 200, 000
Estimate 1964.....	11, 647, 000
Increase over 1963.....	6, 447, 000

This program provides for the purchase of foreign currencies principally derived from the sale of surplus agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480). The funds will be used under Public Law 480 and under the International Health Research Act of 1960 to support foreign research and informational projects which hold promise of contributing significant knowledge in the fields of health, education, and welfare.

The distribution of the 1964 estimate by agency is as follows:

	<i>Appropriations</i>
Office of Education.....	\$800, 000
Vocational Rehabilitation Administration.....	3, 000, 000
Public Health Service.....	6, 647, 000
Social Security Administration.....	1, 200, 000
Total.....	11, 647, 000

The 1964 estimate provides for increased foreign research programs for all four agencies. The Office of Education will continue projects begun in 1963 concerning the education of gifted children and the development of reading skills in children. In 1964, new projects will be initiated concerning juvenile delinquency, the social climate of the classroom, and the effect of ability grouping on student achievement.

The Vocational Rehabilitation Administration will support research projects in such areas as rehabilitation of the blind, cerebral palsied, and victims of heart diseases; prosthetic devices; and in developing training programs in physical medicine. The program of international exchange of rehabilitation experts will be expanded in 1964.

The Public Health Service is using foreign currencies appropriated in 1962 and 1963 to support medical research projects sponsored by the National Institutes of Health, studies in the areas of communicable diseases and environmental health, under the auspices of the Bureau of State Services, and the translation of research publications by the National Library of Medicine. The 1964 estimate provides for financing of new projects in the foregoing areas, and, in addition, contemplates the collection and analysis of morbidity and mortality data through projects of the National Center for Health Statistics.

The Social Security Administration will sponsor research projects in 1964 concerning maternal and child health, congenital defects, mental retardation, juvenile delinquency, institutional care of children, social services in urban areas, and services for the aged.

LEGISLATIVE PROGRAM

Mr. FOGARTY. Mr. Secretary, you have been before the legislative committees on some of the legislative proposals already, have you not?

Secretary CELEBREZZE. Yes, sir, we were before the Harris committee on the health professions bill and before the education committee on the new educational proposals.

PROPOSED EDUCATION BILL

Mr. FOGARTY. Do you think there is any chance of the education bill becoming law?

Secretary CELEBREZZE. I think that if we look at the education bill, what it is trying to accomplish—

Mr. FOGARTY. It is pretty comprehensive—a pretty comprehensive piece of legislation, is it not?

Secretary CELEBREZZE. Yes; it is. The basic objection to it, that I gathered during the hearing was primarily against the omnibus approach. Yet the only educational bill of any consequence which came out of Congress during recent years was the National Defense Education Act which was an omnibus bill. I am encouraged by at least the unity in which a majority of the people in the education field have approached the problem at this time as compared to last year. There seems to be greater unanimity among them.

Mr. FOGARTY. What about the Delaney bill?

Secretary CELEBREZZE. You asked me what its chances are?

Mr. FOGARTY. Yes.

Secretary CELEBREZZE. I would hesitate to say at this moment what its chances are, because I have not concentrated on that facet.

Mr. FOGARTY. Up my way I find more support for the Delaney bill month after month. That seems to be picking up.

Secretary CELEBREZZE. Yes.

MENTAL HEALTH AND MENTAL RETARDATION

Mr. FOGARTY. I notice in the President's message on mental health and mental retardation he refers several times to the fact that in his proposed legislation for education, this and that is going to be done. If many of these proposals are in the comprehensive bill or omnibus bill that may not become legislation, how do we determine what we can plan for in the mental health and mental retardation fields?

Secretary CELEBREZZE. I believe, Mr. Chairman, that the proper function of the executive branch is to present to Congress what it considers its greatest need in the field of education and the education bill as we presented it this year is not across the board. It pinpoints specific things. I think then, of course, that it is the proper function of Congress or the legislative branch of Government to evaluate it. They can then either divide it or pass portions of it.

Mr. FOGARTY. I understand that. But the point that I was trying to make—as I read the message on mental illness and mental retardation, he referred several times to the education bill and indicates that many of the benefits contained in his message on mental health and mental retardation would hinge on the passage of his education bill, and I hear quite a few responsible people say that that bill may not see the light of day. How do we evaluate the mental health and mental retardation message if the education bill does not pass?

Mr. COHEN. Can I comment on that, Mr. Chairman?

Two of the proposals that the President mentioned were also in separate pieces of legislation last year which were not passed. One was of course for the training of teachers of all handicapped children and there were extensive hearings on that and I think that had there been more time at the last session it may well have been that something would have been worked out on that.

Mr. FOGARTY. Yes, I agree with you. I thought something was going to happen last year.

Mr. COHEN. I did, too. The other feature was a provision of the elementary and secondary school bill which was the project grant provision which provided for special projects largely in the urban areas which would include the mentally retarded, the gifted children, slum children, and migrants. That, of course, did not get too far last time, even in connection with the general education bill. So I would say each of them stands on their own merits. I would assume that the legislative history of the one last year relating to teachers of handicapped children would have a reasonably good possibility of passage.

TEACHER TRAINING PROGRAMS

Mr. FOGARTY. I would hope so.

The authorization for the training of the teachers to teach in the area of mental retardation runs out this year, does it not?

Mr. KELLY. 1964.

Mr. FOGARTY. I see.

Mr. KELLY. The proposal that is before Congress would extend the one for the deaf for 1 year in its present form and then incorporate all programs of training teachers of the handicapped.

Mr. FOGARTY. What is the position of the administration? There is a lot of doubt that you can get a comprehensive education bill through Congress. My experience has been that you can get the one on retardation and for the deaf without trouble. I think they went through unanimously.

Mr. KELLY. Certainly overwhelmingly.

Secretary CELEBREZZE. I am sure there is great interest in the mental retardation and we ought to get that phase of the bill through.

Mr. FOGARTY. Those two points you made, Mr. Cohen, are the two I had in mind, but I thought there were a couple more.

Mr. COHEN. There are of course, some other provisions, Mr. Chairman, in the education bill, namely, the question of the increase in the expansion of teacher preparation programs and special training for teachers in health and education, which is in title 3 of the comprehensive bill. Those would also have an impact in connection with the development both in higher educational institutions, as well as with respect to teachers, and others. In this connection we are asking the Office of Education to place a new emphasis on research in the learning process; the application of research findings to teaching methods for mentally retarded; for studies on improving techniques; developing teaching aids; and stimulating the training of special teachers.

Mr. FOGARTY. What do you mean by "stimulate the training of special teachers"?

Unless the Government takes some lead in this thing, I doubt that much is going to happen.

Mr. COHEN. There are special provisions in title 3 of the bill for making grants and contracts with institutions of higher learning, in order to expand both the institutes for the advanced studies of teachers, and for the training of teachers, as well as working with the teacher preparation program, so that there will be more teachers in all of these fields.

There are three distinct programs, with separate authorizations for each of them.

Mr. FOGARTY. Could it take a new approach in the teaching field?

Mr. COHEN. Yes, sir. For instance, in the teacher preparation program, the objectives of that as stated in the proposed bill are to give funds to higher educational institutions; to expand or improve course content and curriculum for any of these types of teachers; improvement of student teaching activities to help the student teachers get experience in these fields; improvement of standards for the selection of people who are especially qualified in these areas, and also to develop special programs in schools.

EDUCATION RESEARCH

Mr. KELLY. I should think too, Mr. Chairman, that you could tie this back into the Office of Education cooperative research program where they are endeavoring to find new ways and demonstrate new ways in improving techniques for teaching the mentally retarded. This will then be incorporated into the educational program, to train teachers. There has been some success along this line in their research program.

I think that they have been able to identify through their research program, that some children, who have been treated as retarded, are not. That is, the basic capabilities are not retarded; and the other is that they have learned that different kinds of retarded children learn in different ways. Some of them are retarded in terms of vision; some in terms of their hearing with respect to the learning aspect, so I would think when you put the two of them together, that you are making marked progress in trying to bring about improved teaching techniques.

Mr. FOGARTY. I am for doing something. I am wondering if there is a better way of doing it than we have now. I am trying to recall something that was told to me just recently, I think in the field of teaching biology. It has been changed, because of the research done under a grant made to one of our schools of higher learning.

Isn't that correct?

Mr. COHEN. That is correct.

Mr. FOGARTY. And it has completely changed the whole course in teaching.

Mr. COHEN. That is right.

Mr. FOGARTY. Do you know the history of that?

Mr. COHEN. I don't know the history in detail.

Mr. FOGARTY. It was in biology?

Mr. COHEN. Yes. I think there is also a comparable one in physics, as well.

Mr. FOGARTY. Well, it might have been physics.

Mr. COHEN. And mathematics. Yes.

I know the ones in physics and biology have been very successful in changing the whole content of teaching, and we have somewhat the same idea here, as Mr. Kelly says. We believe now that there should be another vast expansion in the cooperative research and demonstration program, in order to throw light on how there can be better teaching of specific subject matters and selection of teachers in these particular fields, and that is a specific part of this title 3.

Mr. FOGARTY. How much increase in cooperative research have you in the budget for 1964 for these purposes?

Mr. KELLY. Well, the total cooperative research program for the Office of Education has increased from about \$7 million to \$17 million. The actual figures are: This year, we have an appropriation of \$6,985,000 and the budget for 1964 calls for \$17 million.

It is somewhat misleading. The request for last year was for \$11 million; the appropriation was \$6,985,000 but the request was on a full funding basis, and the action of Congress was on the basis of appropriations for 1 year; so I am not sure there was a significant decrease made by the Congress in the request. I think the change was in the method of funding it.

INCLUSION OF MENTAL HEALTH AND RETARDATION IN SAME MESSAGE

Mr. FOGARTY. Another thing I could not understand about this message was why the President tied mental health to mental retardation. He seemed to put more emphasis in the message on the problems of mental illness than mental retardation, and in your justifications, you change it around the other way.

What was the significance of tying mental health to mental retardation?

Was this your idea, Mr. Cohen?

Mr. COHEN. No, Mr. Chairman, it was not.

Mr. FOGARTY. The reason I ask is because I have been to many of these meetings on retardation in the past year or two, and many of the voluntary groups have been complaining about this Department often combining the two in the same sentence or in the same statement. It is my understanding that the volunteer group as a whole, does not—I am speaking of retardation—does not like to be classified with the other group.

Also, I have since talked to people in voluntary groups in mental health, and asked them what they thought. They thought it should be separated. That is the main reason I asked the question.

Mr. COHEN. I think the point is well taken, Mr. Chairman, that there is a distinction between problems related to mental health and problems related to mental retardation. While there may be some points at which they are either joined together in a common characteristic, or administratively, or problematically; in the States, it should be kept in mind they are very distinct problems and the means for dealing with them are very distinct.

I believe that probably the reason why they were joined together was that we have, really, the problem of deciding whether to have three special messages in the health field. That is, mental health,

mental retardation, and the other health matters, and we really are trying to consolidate these. We could have had one health message covering all of them; and I think, purely as a matter of dividing up the new proposals, the distinctively new proposals, from those that had been made before, a decision was made to take the mental health and mental retardation, and put them into a special message, and then take the other elements, and make them, as you know, into a health message.

Now, there are several points at which they do come together—mental health and mental retardation—for example, with respect to the construction of facilities. In our planning of the program, we thought, that they should be tied together administratively at the national level, and be associated with the Hill-Burton hospital construction facilities, and thus avoid developing a completely new construction program.

So that was one reason why they came together.

Also, in connection with some of the planning out in the States, there would be need for some coordination, but I would agree with you, it is not always the same groups that are concerned with both of these programs.

So that I would say in answer to your question, the basic reason was not one of trying to relate the two as much, as putting the new features in one message.

PRIORITIES OF HEALTH PROBLEMS

Mr. FOGARTY. If you establish priorities, I don't know which would be the more difficult problem. If you did establish a priority in the field of health, what is the most difficult problem today?

Mr. Secretary, do you know the answer to this?

Mr. CELEBREZZE. You never could establish priorities. If you talk to some doctors, they will say, "Well, this problem is much worse than this one."

Priorities, of course, depend upon (1) basic experience and a basic problem; and (2) the problem with which you are confronted with more frequently than others.

If you have been dealing in the field of mental retardation, and you talk to mothers about retardation, that might be the No. 1 problem on the agenda.

If you are dealing with people that have had experience with relatives in the cancer area, I think that might be the No. 1 objective.

I would have difficulty giving you priorities, because they are all important, and all affect human beings, and I don't know that you could put priorities on human beings and their problems.

That is why I feel as though greater emphasis should be made on mental retardation.

I have had some basic experience with this problem, with the concerned mothers in Cleveland, on the problems of mental retardation. Contrary to many other people, I consider our expenditures in this field an investment rather than an expense, because unless we go into these research programs, unless we train these teachers that teach the mentally retarded—we cannot help them to become producing citizens.

I have seen this proven in the Baker Health Center in the city of Cleveland. When these handicapped children become 16 or 17 and they have received their education—they are becoming productive to their level of intelligence; so that you keep them off of the assistance roles.

Mr. FOGARTY. Are these educably retarded, or just generally?

Mr. CELEBREZZE. No. I think you can educate them, Mr. Chairman, but the point is, we have not emphasized sufficiently in the past year, the education of these children. We are just now, in the great land of America, coming out of the backwoods, if I may use that expression, in the areas of mental retardation and mental illness. For too long, we put them in a closet and kept them there. But now, we are beginning to realize that something can be done in this area. We are bringing it out in the open. I mean, it is no longer a matter of families trying to hide that a member of their family was mentally retarded or had some mental disease. We are bringing it out in the open. We are facing the issue. I think that is it. The great, encouraging thing—at least to me—is that for once we are putting it on the table. We are facing the issue. We are going to do something about it now. We are dealing with human beings and it is hard to establish priorities on human beings.

ALCOHOLISM

Mr. FOGARTY. In talking to some doctors 2 or 3 weeks ago, the consensus seemed to be that one of the most pressing health problems is chronic alcoholism, and they named “mentally retarded” second. Comparing the two, they said something was being done for the retarded today, but chronic alcoholism is a real bad problem and they are just housing them in these State institutions and not doing much else about it. That is the reason why I brought it up.

Mr. CELEBREZZE. There again, with respect to alcoholism—I have personally observed a sound program. These individuals were brought before a judge, and they were sentenced to the workhouse. They are out there for 30 days, and come out, and come back in again. They sentence them back in the workhouse.

In order to reverse this repetitive problem we established at the workhouse an alcoholic clinic, and we reduced by at least 70 percent, the people who had come back in. This again is a demonstration that if people on the local level take an interest in these problems, there is much that can be done.

I realize that many communities on a local level are pressed with financing problems; and so here we could justify some degree of matching grants, or some degree of building alcoholic clinics in particular areas.

Now, the State of Ohio tried it through legislative action, and they tried it—they supported it through an increase in the liquor tax. Unfortunately, there was not the right interest, and there was opposition to it, and it was defeated. It is a serious problem, because you find, in many instances, if you look at your court records in the areas of crime, and in many instances at the number of auto deaths, drinking has been involved in many cases.

Mr. FOGARTY. Our committee thought the problem serious enough 4 or 5 years ago to appropriate \$750,000 over and above the budget to try to stimulate the Department to do something on a national level and we have continued to encourage the Department to do more about this every year since then.

Mr. COHEN. I have instituted an across-the-board evaluation of all programs in the Department, that have a bearing on this problem of alcoholism, and we are making a comprehensive evaluation of what needs to be done.

Some of these same people, I gather, who, perhaps, have talked to you, have talked to me from time to time, and indicated the tremendous lack of a comprehensive review.

Mr. FOGARTY. The people who talked to me on this particular subject were State people, institutional people in my own State, in fact, and we are not too proud of what went on there. I think we ought to be doing much more than we are doing in this area.

Mr. COHEN. What I think we will have for the next year is a most comprehensive evaluation, across the board, of what has been done; somewhat parallel to what was done a few years ago on mental retardation, in order to see what areas need to be undertaken in the future.

Mr. FOGARTY. Mr. Secretary, do you expect another message on heart and cancer, like the one on mental illness and mental retardation?

Mr. CELEBREZZE. I don't think so.

STROKES

Mr. FOGARTY. What about strokes? Is there any significant interest this year in that area?

Mr. CELEBREZZE. Strokes and heart attacks are problems I think we may get into when we take up heart research.

Mr. KELLY. Another program which is covering part of the problem is the Division of Chronic Disease and Aging, of course.

You will remember that they put out a booklet last year dealing with strokes called "Strike Back at Strokes."

Mr. FOGARTY. What good do these things do if the people don't read them or don't pay attention to them?

Mr. CELEBREZZE. I think most of them got in the hands of physicians.

COMMUNICATING HEALTH FINDINGS TO THE PUBLIC

Mr. FOGARTY. So much can be done about cancer today with the knowledge that is at hand if the people themselves will recognize one of the seven danger signals, as are set forth by the American Cancer Society, and go to their doctor in time. Much can be done in the medical field to acquaint the people with these facts. It just makes you sick, sometimes, when you hear about a young mother, or any person for that matter, dying, because of some form of cancer that could likely have been cured if caught in time. It just doesn't seem as though that should be allowed to happen. What can be done?

Mr. CELEBREZZE. Mr. Chairman, we have been concerned—I have been concerned primarily, and I think the staff will tell you that one of the things I have been complaining about is that at the Department

level, there has been lack of proper communication to the public as to what we are doing. I think the Surgeon General, when he comes before you, will make a more extensive report on the steps actually taken to inform the public on the research results that are occurring as a result of the money you are investing to alleviate human suffering.

Certainly, I share the committee's concern with this. It has been one of my own concerns. We are trying to work with the various media of communication, and trying to get to the public drugs which are of known value in some specific area. You do have, I think, in all of these areas, fairly well organized units on mental retardation and mental health. You have organized units with which you can work to get results; but the problem then becomes one of cost, which we have to take a hard look at. The mere fact is that, one of the difficulties is that we do our research and find solutions to problems; then you are faced with the cost factor of the situation, which will require some extensive study.

Mr. COHEN. We have had, Mr. Chairman, some representations to us during the consideration of these special messages, for undertaking some special kind of a Presidential panel or review in the field of heart, stroke and cancer, which we weren't able to work out at the time of the Presidential messages. We are still engaged in discussions with them and they have some feeling as I understand it, that there ought to be a complete reevaluation made at this time.

Mr. FOGARTY. Well, I don't know whether anybody can give an answer to the question I asked, about what can you do to get people to go to a doctor. You just cannot force people, but what can you do?

When something is developed or some breakthrough is made that can save lives, it just seems to me there ought to be some way of getting people to take advantage of it.

Mr. CELEBREZZE. The Surgeon General has appointed Dr. Kelsey—who is not the woman in the Food and Drug Administration, but her husband—and given him the responsibility of developing a coordinated program; make sure that all these communications of health knowledge that we obtain from research, get to the practitioner and get to the public. I imagine by the time we come in here next year, we will probably have something in our budget to expand the facilities of communication in this particular area.

Mr. FOGARTY. I am surprised you don't have something this year, because this has been a problem for some years now.

Mr. KELLY. We do have active support for Dr. Kelsey's program, the research program, but the results of it are not known. It is a very complex program. Of course some pieces of it we are already doing; the work we have done with the National Library of Medicine in utilizing the latest electronic data equipment, processing of their material, and thus made us capable to make it available to other researchers, is a step in the right direction. You have a problem of developing a communication among the scientific world, and the research world, and then from the researcher to the practitioner and then to the public. You recall some study was done in connection with the Salk vaccine problem. That is what motivates people. Why is it, when you have made a drug available, either free or very cheap, when you have done blanket publicity throughout the Nation, and when you have demonstrated the usefulness of the drug, that people are not ade-

quately motivated to take advantage of it? And the same thing when the cervical cancer studies were done; people have not been adequately motivated to seek this.

There is not an answer.

Mr. FOGARTY. I think the General Federation of Women's Clubs of America did a pretty good job on this particular program last year. In my State, I know they did, and I think throughout the country; but I think you are right there. But doctors have told me that the wives of doctors are some of the worse offenders; they will recognize the signs, but fail to go for a medical examination until it is too late.

Mr. CELEBREZZE. I think I can give you an example, such as TB. There is a program of education to get people to go in and get X-rayed.

When we could not get them to go in, we finally had to end up by buying buses and converting them into mobile units, and going around the city, parking at curbs, or parking on the public square, and getting people to come in and get their X-rays.

Mr. FOGARTY. This committee made funds available for these X-ray demonstration projects in all the States about 17 years ago.

Mr. CELEBREZZE. Frequently if you leave it to the individual, he won't take the initiative of going there and getting his examination.

Mr. FOGARTY. That is right.

GRANTS FOR LIBRARIES

Now, you spoke about broadening the library services to authorize grants for construction of libraries, as well as their operation.

Is that in the education message?

Mr. CELEBREZZE. Yes. There are two features relating to libraries in the education bill.

One was specific grants for higher education for the purpose of establishing college libraries, and also, obtaining material for them.

The other is the establishment of a series of community libraries. This would provide libraries in an area where they have a great many schools. To establish a library in such a center, will make it possible for all of the schools to use that particular library.

Right now, of course, under the Library Act, most of the funds go to rural areas, and I think it should be brought into the urban areas as well.

Mr. FOGARTY. What is your definition of an urban area?

Mr. CELEBREZZE. Metropolitan area.

Mr. FOGARTY. Could you put it in terms of the number of people?

Mr. COHEN. I don't think so, Mr. Chairman.

Mr. KELLY. The present law does have a limitation. What is it; 10,000? Only communities of less than the 10,000 level are eligible.

I think it is just the expansion to other communities.

Mr. FOGARTY. It was my impression a year ago that these people thought they would be better off on their own, rather than being in an overall education bill.

Mr. CELEBREZZE. We sat down with the library people, Mr. Chairman, and discussed this, and again, I get back to the basic point that if you have a problem in the area of education all these things are related or interrelated.

You have to attack it all the way down the line if you are going to accomplish anything in the field of education.

POSSIBLE IMBALANCE IN EDUCATION

Now, we have put a great deal of emphasis, for example, on the sciences; and justifiably so. After sputnik, we got excited but we are beginning to neglect the humanities and yet we know—at least, the educators know—that the basis for all these humanities is a sound library system and in order to establish them and get more into the humanities we have to have these additional library facilities.

Now, there again, you have to have a balanced program of education. We cannot all be scientists. We cannot all be physicists.

Mr. FOGARTY. We brought this up a year ago in the hearings, that there was some imbalance in the educational system, especially higher education, because of the National Defense Education Act, and the National Science Foundation, and the National Institutes of Health, emphasizing the sciences, but my answer was, "Let's not cut down those, but let's bring up the arts and humanities, to take it out of the imbalance."

I put in a bill which I thought was pretty good a year ago that would create an institute, in the Office of Education, on arts and humanities, but I don't suppose the administration will buy that, because they think they have a better approach to it.

But about every university president in the country has written in, endorsing this bill and this approach. It was sent to every university, and we did not get any answers back that were unfavorable.

Mr. CELEBREZZE. I hope the Chair doesn't construe that we are cutting down on it.

Mr. FOGARTY. No; I did not say that.

Mr. CELEBREZZE. We have to do more in the humanities field or be completely out of balance.

Mr. FOGARTY. That is understood.

Now, you say among your other new legislation, will be legislation to amend the Hill-Burton Act.

When does that expire?

Mr. CELEBREZZE. Next year, 1964.

NURSING HOMES

Mr. FOGARTY. Have you done anything about establishing some sort of accreditation for nursing homes?

Mr. CELEBREZZE. Not that I know of. Mr. Cohen, you can correct me on that. We have advocated extension and modification of the Hill-Burton Act. We have a problem in that most of the funds go into the rural areas for hospital construction. We found in our investigation, that there are many hospitals in both urban and rural areas, which need rehabilitation or renovation. There is no provision in the Hill-Burton Act for that purpose, and we suggest that, taking \$50 million of the \$150 million authorization under the Hill-Burton Act, and putting it into the field of renovation. This provision would give equal footing to the hospitals in urban areas. Also, we feel that there should be an expansion of the number of nursing home facilities. As we approached this problem, we saw a greater need for nursing homes, particularly for the aged.

Now, as to the accrediting of these nursing homes, I don't know that we have come up with anything specific on it.

Mr. COHEN. Well, we worked with the States on it.

Mr. KELLY. The hospital, or the nursing home that we are building, Mr. Chairman, doesn't have the same problem of accreditation that you are referring to. These are the professional nursing homes, and they are tied in with the medical facilities, such as a hospital, or some arrangement for physician care. In the proprietary nursing homes, there are many that are significantly below standard, and the Public Health Service has been endeavoring to work with the States toward bringing up the standard significantly both in terms of care, and in terms of the physical facility. We are hopeful of doing it in such a way that they would not, all of a sudden, take out of use a large number of substandard nursing homes, when they did not have anything to replace them with.

Mr. FOGARTY. Leave them in a firetrap?

Mr. KELLY. Well, the contention is that you should try to bring the facilities up to standard as quickly as possible, but it is better to have a substandard facility than to have no facility at all. It is a gradual process of trying to reach a minimum standard, rather than establish at once one minimum standard for the Nation, which everybody could agree to, but which would knock, perhaps, 50 percent of the beds out of use.

Mr. FOGARTY. It's not easy to solve, I know; but it seems to me that we have accreditation programs in other areas—schools and hospitals.

Mr. COHEN. We are approaching it, Mr. Chairman, in this way. During this last year, our most important problem, probably, arises in connection with nursing homes under the Kerr-Mills bill. Here is an area of very great concern to us because the Federal and the State funds may be used to pay for an aged individual in a substandard nursing home.

However, under the Federal statute, we don't have any authority over the payment to the nursing home, but we do have the responsibility, under the statute, to see that the State sets up a State authority for setting standards in these areas. That is the present requirement under title 1 of the Social Security Act, relating to both the old-age assistance and the Kerr-Mills bill medical assistance program.

The key points there are twofold. One, the State standards that they set are very low and inadequate and very many States do not appropriate enough funds for the licensing or the inspection of these facilities.

For instance, in my own State of Michigan, when I left, all we were spending was \$15,000 a year for the inspection of all the nursing homes in the State. I tried very strenuously to get that increased—so that is one problem.

Mr. FOGARTY. Was that unit in the welfare department?

Mr. COHEN. That unit was in the State health department.

Mr. FOGARTY. Health department?

Mr. COHEN. Yes, sir. On that function, I think that is proper.

Then there is a second function which was not carried out properly. That was the fire marshal's inspection of nursery homes.

Now, the third part is the fact that the low payment for these nursing homes makes it such that the nursing home operator says: "Well,

I can't have a better nursing home to meet whatever this standard is, because the State is not paying me enough to put in the new fire extinguisher," or whatever the situation might be. So I think that there is a key problem there.

In the drafting of our health insurance bill, we have studied that matter very carefully because it is our opinion that perhaps the better way to approach this problem is to get nursing homes affiliated with hospitals which are accredited and which have medical standards. This would help raise the whole nursing home area if every nursing home, before it could either be constructed or get any money from the Federal Government, or through the State, would have to in some way be affiliated with a hospital. I don't mean on that score, to be a part of the hospital, but that the medical supervision of the nursing home must be related to the medical supervision of the hospital. Most people come into nursing homes from a hospital, after a severe period of an acute or chronic illness, and the continuation of that medical care should be under the proper medical supervision.

If I have to say what was the most important thing in this whole standard setting, it would be this matter of affiliation with the hospital. Secondly, the raising of the payment for the nursing home; and third, additional funds for State inspection and maintenance of standards.

MR. FOGARTY. Rhode Island is one of the few States where the responsibility still rests with the welfare department, and many of the nursing home operators favor transferring it to health.

MR. COHEN. Well, I would say, Mr. Chairman, that it is done in many States very satisfactorily in the welfare department; and in many States very satisfactorily in the health department.

The key thing is we have to have adequate State appropriations for having people inspect these nursing homes every year, and the maintenance of standards is important. In all fairness to the home, if you tell them they have to change X, Y, Z, and come up to standard, and the people are not paying them enough, they cannot carry that out.

COMPREHENSIVE COMMUNITY MENTAL HEALTH CENTERS

MR. FOGARTY. You say the administration is proposing legislation to authorize a program of grants to assist in the construction of comprehensive community mental health centers, including psychiatric units in general hospitals?

MR. CELEBREZZE. Yes.

MR. FOGARTY. Don't many of the general hospitals that are being built today include a psychiatric unit?

MR. CELEBREZZE. Many of them do; but what we are trying to get at, through the creation of these community centers, is to get away from a large, institutional concept in this particular area, and are building them in the community where the parents or the relatives of the individuals live. This would help tremendously in their rehabilitation, according to some medical testimony we have.

So what we are trying to do is decentralize and get away from the complete, large, central institutional centers we now have and substitute smaller units serving a greater portion of the population by putting it closer to them.

WATER AND AIR POLLUTION CONTROL

Mr. FOGARTY. You also spoke about pollution control and consumer protection. You say you are recommending legislation authorizing the Public Health Service to engage in a more extensive research program in air pollution, and to strengthen its pollution control activities. What kind of legislation?

Mr. CELEBREZZE. We have both now; the water pollution control program and a program on air pollution. The water pollution work, as you know, is under the Public Health Service but actually it is being coordinated and given policy direction by an Assistant Secretary in the Secretary's Office, Mr. Quigley, who will be here later on, and will explain it in more detail to you.

In the area of environmental health, we had an air pollution conference here, not too long ago, in the city of Washington. On the basis of this conference we are trying to draft new legislation. As you recall, we had proposed legislation last year on air pollution, with regulatory controls, which was not passed. We are going back again for stricter regulatory controls over the causes of air pollution, and that is all under the Public Health Service.

Mr. FOGARTY. There has been legislation recently introduced in the Senate on this problem. It was sponsored by several Members. But I thought it was to take it out from under the Public Health Service.

Mr. COHEN. That was on water.

Mr. FOGARTY. Just water?

Mr. COHEN. Yes, sir.

Mr. KELLY. On the air pollution legislation, I think that there has also been introduced by Senator Ribicoff, legislation with enforcement provisions over and above those now incorporated in the law.

Mr. COHEN. Actually, there are four bills in the Senate dealing with the area of pollution—the water and air pollution problems.

Mr. FOGARTY. This is a change, is it not, from the past policy?

Mr. COHEN. You are talking about water now?

Mr. FOGARTY. Yes.

Mr. COHEN. Well, sir, there has been a great deal of consideration over the last 2 years, about the matter of how best to organize the water pollution program. At the time this matter came up in connection with the water pollution legislation, Secretary Ribicoff appointed a task force to review the entire situation, and canvass all of the different proposals that were made about the question such as where the water pollution program should best be organized and administered. We then did meet with all of the groups, including the recreation and wildlife people to review those alternatives.

On the basis of that review, it was Secretary Ribicoff's decision to transfer some of the responsibility for the executive direction of this program to an Assistant Secretary, and Mr. Quigley was given that responsibility.

Since that time, I gather that this bill was introduced in Congress and represents the point of view of some of the people who feel there are aspects of water pollution other than those relating to public health, that ought to be given more attention.

Mr. FOGARTY. This does not come out of your shop?

Mr. COHEN. No, sir.

Mr. CELEBREZZE. No, sir. This is not an administration bill at all.

HARVEY REPORT ON FDA

Now, concerning the Food and Drug Administration, what do you think of the so-called Harvey report?

Mr. CELEBREZZE. Mr. Chairman, we are continuing to evaluate that report. I have also requested Mr. Harvey to come in and act as a consultant to work with Mr. Jones of our Department. It is a rather technical, complicated report, and I cannot convey to you today, that we have completely come to the point where we can put the full force of the report into being. We are evaluating it, and are hopeful that we can put into effect improvements very rapidly.

We have made some changes, as you know, in the Food and Drug Administration and we are continuing to evaluate the report.

DIFFICULTY IN OBTAINING SCIENTIFIC PERSONNEL

One of our difficulties has been the inability to get the type of personnel that we need; people who are well known in scientific fields. Because of the salary structure, we are having an extremely difficult time getting researchers and scientists. We are trying to work out a system, if at all possible, where we can get, perhaps, closer coordination between Food and Drug and NIH.

As you know, NIH is a research program, not a regulatory body; but it is necessary to have an exchange of information, between FDA and NIH.

We have established a new investigational drug branch to evaluate clinical tests of new drugs. Dr. Kelsey is the head of that branch. Right now our major difficulty is getting a top, scientific research man.

We have talked to a half a dozen people and those that we felt were qualified for it are just not interested in coming with the Government at what we can afford to pay. Many of them, are earning much more than we pay. They also can make more by doing outside activities, which would be prohibited under Federal employment. We are having difficulty right now in recruiting. Our recruiting program is not moving as rapidly as we thought it would move, although we expect a jump when the school year closes in June, because we have our people out interviewing students who are interested in getting into this particular field of Government. But it has been a difficult job, because here, you need specialized people, and the recruiting part has not been as rapid as I would like to have had it. I am staying in close contact with this recruiting program, because we have not been able to staff up quite as fast as I had anticipated. That is reflected in the budget.

RECOMMENDATIONS FOR MORE PERSONNEL

Mr. FOGARTY. You know, several years ago, when Mrs. Hobby was Secretary, she appointed a similar committee. They came up with a program which called for a considerable increase in personnel, but this report did not make any such recommendations.

Mr. CELEBREZZE. Mr. Chairman, as I review the past, they have not been given what they have asked for sometimes, because they made somebody mad at them. As a result, part of the appropriations were cut off, as I look back on it, and I am hopeful we can prevent that

sort of thing. I think that the budget that we presented for the Food and Drug is one in which we can do a good job.

Now, on the question of personnel, while we were cut back by the Budget Bureau, I have the assurance of the Budget Director, Mr. Gordon, that if, in June for example, we can step up our recruitment of qualified people, that they will recommend a supplemental for us, in order to pick up this slack that we are now witnessing. They don't seem to think we can move that fast, but I have that assurance from the Bureau of the Budget.

Mr. KELLY. This pertains to the supplemental for 1963, Mr. Chairman; we were up before the Congress before the recess last year, for increased funds to carry out the new drug laws and the new procedures pertaining to the handling of research drugs.

As you know, that supplemental was not enacted, and we had contemplated coming back, requesting the same staff this year before the Congress, but as the Secretary pointed out, the difficulty of recruiting people as rapidly as we had anticipated, occasioned the supplemental not to be sent up this year, because there are so many vacant positions still remaining to be filled. In the event that the recruitment is stepped up and those positions are filled, as the Secretary said, he has an assurance that we will come back and ask for it. However, the positions are provided for in the 1964 budget to administer both the new drug law and the enforcement of the new regulations.

NEED FOR NEW BUILDING

Mr. CELEBREZZE. We have the additional problem, Mr. Chairman, in Food and Drug, that when you get the personnel, you have nowhere to place them. The new building is not ready. Even before the new building is open, we know that it is not large enough so that we have to think of that in terms of expansion. The number of responsibilities being placed upon the Food and Drug Administration, at a rapid rate and new drugs are being discovered, and similar workload is facing us in the cosmetic area, puts a tremendous burden on the Department, without having an adequate physical plant to do the job.

Mr. FOGARTY. When are you going to build another building or add to this one?

Mr. KELLY. Well, we do not have the space in the downtown area, Mr. Chairman, but we have a plan before you in this budget to build an additional laboratory facility in the metropolitan area. It will cost about \$4,300,000 and this one is designed to recognize the inadequacy of the total plan for our facilities in the Washington area.

Mr. FOGARTY. On the building of this building, I don't know who should be criticized because this building was certainly kicked around by Congress for a long time, and then it got caught in a lease-purchase deal that certainly didn't help matters.

Mr. KELLY. We do have a plan, and the architect designed into the building a concept that gradually, we can convert all of the space in that downtown building to laboratories, with a view of having office space adjoining it. The plan involves a tunnel which goes across to the building now occupied by the FBI Fingerprint or Identification Division, which eventually, will be in the new Justice Department

building, so that we will not have the use FOB-8 for downtown office space. It will be totally a downtown laboratory, with office space adjoining it, in one of the three or four buildings that we have.

Mr. FOGARTY. Are you having any trouble with labels, Mr. Secretary?

Mr. CELEBREZZE. Well, in the new regulations that we adopted, I don't think that we run into any serious difficulties.

I don't know of any serious difficulties, but I imagine Mr. Larrick will be able to handle that.

Mr. COHEN. We do have a legislative proposal.

Mr. FOGARTY. I do know you had a little labeling problem a year or two ago.

Mr. COHEN. Yes, sir.

Mr. CELEBREZZE. Turpentine.

Mr. FOGARTY. Turpentine. Yes.

Mr. COHEN. That was eventually made satisfactory, sir.

Mr. KELLY. That was one of the first acts that occurred under the then new section of the Hazardous Substances Act.

ADVISABILITY OF DIVIDING DEPARTMENT

Mr. FOGARTY. Mr. Ribicoff made it quite plain that he favored breaking up the Department in three parts, Mr. Secretary. Former Commissioner McMurrin and former Commissioner McGrath recommended a separate Department of Education, and many people have recommended a separate Department of Health; and many of the small European countries have separate departments for these activities.

What do you think about this, Mr. Secretary?

Mr. CELEBREZZE. I have been asked to comment about that previously. I said I don't think the Department ought to be broken up. I don't think the Department is too big to be properly managed. There is great merit in having activities of various departments, various operating agencies, under one Department. I can give you some examples.

For example, in just the one area of mental retardation, several of the agencies within the Department have an important program currently underway. We have part of the program in the Public Health Service; Vocational Rehabilitation Administration; the Office of Education, Welfare Administration, St. Elizabeths Hospital; Social Security Administration are all concerned with this problem. They are all working with this problem.

If we try to run a program in which three other departments are involved, it is difficult to get the coordination. At least, we have one central focal point with one point of authority, where you can pull these agencies together.

I realize that many people feel that the Office of Education ought to be a Cabinet post; Welfare ought to be a Cabinet post, for the purpose of status. I think we are too much concerned with status, to do the job we are supposed to do.

Mr. FOGARTY. I don't have any ax to grind. I just know these people made these suggestions, and I was wondering. I did not know you had taken a stand on it.

Mr. CELEBREZZE. Yes, sir. I had a long conversation with the former Commissioner of Education, just before he left. I spent a whole afternoon getting his basic ideas and basic philosophy. In some areas, we were in complete agreement. In other areas, we were not in agreement, but he is a strong advocate of a Cabinet level for the Office of Education. As you see this new legislation come into being, it is increasingly apparent that it affects several of these operating agencies; so that you need one focal point.

Mr. FOGARTY. You raised the problem of mental retardation, but I thought at first you were going to talk about the problem of the aged, and give that as an example, which has been a horrible one.

Mr. CELEBREZZE. That is another example in which we have one, two, three, four, five agencies involved. I am the chairman of the council on aging. We just had a recent meeting, in which we now have gotten to the point where we assigned definite responsibilities to each department as to what they were going to do in the field of aging, coordinating it through the new Welfare Administration, in which I put aging.

REORGANIZATION OF AGING ACTIVITIES

Mr. FOGARTY. Do you think the aging program deserves to go into the Welfare?

Mr. CELEBREZZE. I did it for one purpose, Mr. Chairman, because, as it was set up, where we had an assistant directly under the Secretary, to handle the problems of aging, we found it was not working well. The Secretary had just so many things that he has to give his attention to, and I was of the opinion that we were not focusing sufficient attention there; so I have now put it in the Welfare Administration. Dr. Winston has been head of the aging program in the State of North Carolina, and she is well versed in the subject. She can put her finger on it. I think we can get better results. At least, as I suggested to you in one of my phone conversations, we ought to try it this way and see what the results are. But you have to have a central point of authority. You have to have one individual who is constantly watching these programs. It is physically impossible for the Secretary to keep his finger on everything that is going on in the Department.

Mr. FOGARTY. I have been asking questions about the programs for the aging now, for 16 or 17 years, since Mr. Ewing was Administrator of the Federal Security Agency. And if there is an issue that has been balled up in any Government agency, in redtape and inaction, in my opinion it has been the program for the aging, and I don't think this reorganization is going to help at all. I have had several letters from people in the field of aging, complaining about this; that it was downgrading the problems of the aging, and making it appear that it is a welfare problem.

Mr. CELEBREZZE. I have only one critical letter from a labor leader, I think, in Detroit.

Mr. FOGARTY. I have a copy of that letter, yes.

Mr. CELEBREZZE. That is the only objection I received. The others that I have received all supported our reorganization.

Mr. FOGARTY. I received several from aging groups.

Mr. CELEBREZZE. I am of the opinion, Mr. Chairman, that we will do a much better job under this structure than the structure we had before.

Mr. FOGARTY. You certainly won't have to try very hard to accomplish more than has been done in the past, in my opinion. I still have reservations about what you think you can do this way.

PROGRAMS FOR THE AGING

Mr. CELEBREZZE. Well, a year from now, when I appear again, if I appear again, I may have a different notion, but I would like to get that much experience under my belt. I was interested in the aging problem in Cleveland, you know. On our own initiative, the city of Cleveland went into building recreation centers, strictly at their expense. It ran a million, or a million-two, each, strictly for the problem of the aging needing recreational facilities.

Too many public officials were thinking in terms of recreation as baseball diamonds and swimming pools, which did the aging no good. As they retired and had not much to do; we went in and built the recreation centers, in which we built special rooms in which they could either go in for ceramics or go in for art, or they could play cards, or they could have their square dancing.

Have you had the opportunity, Mr. Chairman, of visiting our new aged center in Cleveland, the High Rise Apartments?

Mr. FOGARTY. No.

Mr. CELEBREZZE. They have their own recreation facilities; their own cafeteria. I appreciate the challenges that we are faced with in this whole area of aging, and the closer that we get to it, the more concerned we become with it. As we get closer to 65, we become more and more concerned with the problems of the aging.

Mr. FOGARTY. We are not only concerned about the older people but also their sons and daughters. It seems to me that we have more mail coming from the younger people than the older people; those who are married and have four or five children are concerned about what is going to happen if they have to support their father or mother, too.

Secretary CELEBREZZE. I think there, Mr. Chairman, we know from firsthand experience the burden placed on the family with insufficient income. When illness strikes a member of the family, it can be very expensive and they are a tremendous burden on the rest of the family. That is why I personally am so interested in this health program we are trying to get through Congress.

I think the average son or daughter, insofar as furnishing facilities to their parents is concerned, has a legal obligation to clothe and feed them; but many times when it comes to this point of illness, it is a burden that is too great. The cost factor is just too great. That is one area of the aged problem we have to do something about, to relieve these burdens of the sons and daughters.

Then we have the other side—the parents who are just too proud to live with their son or daughter. They are independent. They are getting a social security compensation check, and that is their entire livelihood. And if they want to go under the assistance programs, which they do, the first question they ask them is: Do you have any children? The children have to disclose what their assets are. It is

embarrassing to them. Rather than to put their children to that—this I have gained from people I have talked to—they just will not accept the medical attention.

So we have a basic problem for which we must find a solution.

ADEQUACY OF BUDGET REQUEST

Mr. FOGARTY. Maybe I should not even ask this question, but as Secretary, are you in full support of this entire budget?

Secretary CELEBREZZE. Yes. We recommend the budget to this committee.

Mr. FOGARTY. Do you think it can be cut anywhere?

Secretary CELEBREZZE. I do not think that there is any budget which is absolute. From my experience in balancing budgets in the last 10 years and also working in the Finance Committee of the Senate, I have learned that while one thinks they should stress one area, the Legislature may think you should stress another.

What I can say to you is the budget as we presented it to you is our best thinking on doing an adequate job as we see it. Sometimes conditions change during the course of a year.

I have not yet met a man who could give me with any degree of certainty—he could come close, but with any degree of certainty give the absolute amount which will be needed. These are all estimates. Whenever making estimates, you can—

Mr. FOGARTY. Is there any place you think we should increase the budget?

Secretary CELEBREZZE. As I say, Mr. Chairman, I think the budget we presented to you is our best thinking. I do not think it should be—

LOCAL RESPONSIBILITY AND PARTICIPATION IN PROGRAMS

Mr. FOGARTY. All right. In your experience as a State legislator and mayor of one of our larger cities, is there anything in this budget you think the cities or States ought to be doing rather than the Federal Government?

Secretary CELEBREZZE. Mr. Chairman, my answer to that will have to be, or is, that the budget is predicated on hitting important areas, particularly in the fields of health, education, and welfare.

Now in these three fields, it is a three-pronged partnership; local, State, and Federal participation. It takes the coordination and cooperation of all of these facets in order to come up with a sound program.

The program we are advocating in the budget is one of partnership. While the Federal Government is advocating new programs, we also put additional burdens on the local governments by use of matching funds.

I think in the example, the community health centers we are talking about, the mental health particularly, we realize that some of the communities have gone through a period of transition, because of their adjustments on their tax base, because of freeways going through and taking tax property, tremendous urban renewal property—they need a breathing spell. So in the areas of mental health, commu-

nity mental health centers, recognizing that it would be a burden upon the local communities, we advocate a 4-year period of helping them in the administration or the operation of the plant as well as matching funds for construction of the physical plant. The same thing is true in part of our education bill. We have a 4-year phasing-out period. So I think that the budget is geared with that thought in mind.

Now, we must remember that in those areas in which the Federal Government only participates in the physical construction of the plant, that it falls upon the local communities then to raise more money for operation of the plant. So I think we have a well-balanced program, taking into consideration all of these things that I have mentioned.

I think it is rather interesting to note that in the field of health, for example, the total health expenditures in this country, 76 percent come out of private sources and only 24 percent come out of public sources. Of course the opposite is true in the field of education. In the field of welfare heavy burden is upon public expenditures and the lighter burden is upon private expenditures.

I think that we have taken those into consideration. I think that perhaps my basic experience as a chief executive and as a legislator is shown throughout the budget here, bearing in mind the great responsibilities upon the local community.

Another aspect that we also have to consider is the transitory nature of our population. And because of that, sometimes local communities, particularly local communities that are burdened with an influx of moving population—I think it is unfair to saddle them completely. So we alleviate part of the problem when the Government comes in and participates.

I think that is the theme through this budget that we present to you.

MR. FOGARTY. I understand that, but I thought perhaps you might have some suggestions that local communities ought to accept more responsibility in these areas because of what you said about your own experience as mayor of Cleveland.

Secretary CELEBREZZE. I think, Mr. Chairman, that perhaps defining this as "they have to assume greater responsibility" would not be the correct way to put it. I think they ought to show a little more initiative in getting some of these programs started even though it is on a participating basis between Federal and State funds. A germ of an idea sometimes starts on a local level and then is developed on a higher level. I think that is true of reports coming out of the conference just consummated—the AMA, the Governors conference—when they get together they study these problems and try to determine just how far they can go on a local basis. And then ask for Federal participation to get help along these lines.

WELFARE ADMINISTRATION REORGANIZATION

MR. FOGARTY. Now, the major reorganization you have made is to establish a new welfare agency. Are all the details of that complete?

Secretary CELEBREZZE. The Welfare Administration, we still have some—

Mr. MILES. We still have certain final decisions to be made in terms of the exact divisions of responsibility in respect to the research program as between the Welfare Administration and the Social Security Administration. We will, within a matter of the next couple of weeks, have this complete. By the time the Welfare Administration and Social Security Administration appear before you, we will have this finalized.

Secretary CELEBREZZE. I think, Mr. Chairman, that the physical structure is completed.

Mr. FOGARTY. I had some letters of complaint about this reorganization from national groups interested in the Children's Bureau. It looked to them as though this was downgrading the Children's Bureau and this committee has been trying to give the Children's Bureau more stature in the last few years. I have not received many letters—about seven or eight.

Secretary CELEBREZZE. That is rather surprising to me, Mr. Chairman, because I sat with the Children's Bureau, met with them before I went into this organization plan, described it to them and they seemed to be rather pleased.

Mr. FOGARTY. This opposition did not come from the Bureau. It is national organizations interested in the Bureau.

Secretary CELEBREZZE. Yes. This is a national organization in which a friend of mine in Republic Steel in Cleveland was a national chairman. He asked me to come down and talk to me. He brought some of the other officials of the organization. I sat with them and described the plan and at that time they seemed to be well pleased.

Mr. FOGARTY. Perhaps it is unfair criticism but they just connect this with what they call the welfare state. Many people react very adversely to anything with the word "welfare" or "social" in it. They connect "social" with socialism, socialized medicine and so forth. Social workers have had the problem over the years. The word "welfare" has similar connotations to many people.

Secretary CELEBREZZE. Mr. Chairman, may I say we probably spent more time on trying to determine what to call it than anything else. We just can't get around the word, "welfare." We suggested calling it the Bureau of Children and Aging, but it was way too long.

Mr. FOGARTY. What is the official name?

Secretary CELEBREZZE. The Welfare Administration.

Mr. FOGARTY. Welfare Administration?

Secretary CELEBREZZE. Yes. Dr. Winston is the Commissioner of the Welfare Administration.

Mr. FOGARTY. I thought she had some excellent qualifications in the release I saw at the time she was named.

Secretary CELEBREZZE. She is a very capable individual, very capable.

INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Mr. FOGARTY. How does the Children's Bureau fit in with the new Institute of Child Health and Human Development?

Secretary CELEBREZZE. Well, there again, Mr. Chairman, we have the Children's Bureau dealing with the question of mental retardation. We have in the Bureau questions that the Bureau handles with children who are not developed to the extent that they should be developed. There is now a study being made to further analyze this with the Children's Bureau. But there is a definite connection between the Children's Bureau and mental retardation.

In my discussion with Dr. Terry in setting up the new Institute of Child Health and Human Development, we feel that there has to be coordination with the Children's Bureau.

I think, on the greater details of it, Mr. Chairman, I would like to refer to Mr. Kelly.

Mr. KELLY. Well, in the organizing of this new institute, meetings were arranged between what is now the Welfare Administration and the Public Health Service, and there was developed a working relationship identifying kinds of problems which constitute the basic research that would be the responsibility of the National Institutes of Health and the kind that constitutes the application and the extension of research into use through the States and through State and local health departments. And an agreement was reached on what their areas of responsibility were.

We went a step further. The Children's Bureau will be represented in both council and study section actions of the new Institute of Child Health and Human Development in order to be sure they are both informed as to what the other is doing.

Mr. FOGARTY. As I understand it, the new Institute will take away some of the present responsibilities of the Children's Bureau?

Mr. KELLY. I would not think so, Mr. Chairman.

Mr. MILES. No.

Mr. KELLY. But I would think it would fill gaps which are identified as existing and which are not adequately provided for.

Mr. FOGARTY. Well, I guess that is debatable.

Mr. KELLY. Essentially, when this Institute was proposed, it was recognized that the function of the Children's Bureau more naturally approached that of the Bureau of State Services in the application of research knowledge, in the health field. This includes research for the purpose of perfecting a technique and perfecting an idea as distinguished from the initial responsibility for basic research and development.

POSSIBLE TRANSFER OF FUNCTIONS FROM FDA TO PHS

Mr. FOGARTY. There has been some talk, Mr. Secretary, that the Food and Drug Administration's medical research and all activities that are not directly regulatory in nature should be transferred to the Public Health Service and leave FDA with just the regulatory functions. Did you mention something about that in your prepared statement?

Secretary CELEBREZZE. No. I mentioned that within the bureaus FDA set up one which is purely a regulatory bureau of enforcement and the other which is purely a scientific bureau.

HOWARD UNIVERSITY—FREEDMEN'S HOSPITAL MERGER

Mr. FOGARTY. What is the current status of the Howard-Freedmen's merger?

Mr. KELLY. The contract agreement that was signed between the university and the Department had an effective date either 30 or 60 days after commencement of construction of the new facility. We have received from Howard University a preliminary space program for the new university. We went over it with them and we have sent it to the Bureau of the Budget as the first step toward the planning of the new hospital.

Mr. FOGARTY. Do you have any money in this budget for planning?

Mr. KELLY. Yes, sir. We expect——

Mr. FOGARTY. How much is it going to cost for the building?

Mr. KELLY. The total construction cost is not known at this time. It depends upon what develops in connection with its total space plan.

Mr. FOGARTY. Is everybody happy?

Mr. KELLY. Well, at the moment I don't think we have proceeded far enough to identify the degree of unhappiness.

There is an indication that it is going to be more expensive than we originally thought when we were developing the legislation.

1963 SUPPLEMENTAL REQUESTS

Mr. FOGARTY. How many 1963 supplemental requests do you have?

Mr. KELLY. We have about 12 that are substantive items pending before the Congress, and then in addition there will be a technical request associated with the pay increase on a high proportion of the items in the Department's budget.

Mr. FOGARTY. The proposed supplementals are up here?

Mr. KELLY. There are two messages, one on substantive and the other on pay.

Mr. FOGARTY. Let's take the first one and go right down the line.

Mr. KELLY. The first item is "Captioned film for the deaf," \$600,000. This relates to the new bill that was enacted in order to extend what we are doing in connection with the captioned films for the deaf. We are now spending about a quarter of a million dollars on that. A law was enacted which authorizes us to spend a million and a half dollars on it and we are proposing a supplemental of \$600,000 to augment the funds currently available to us. This will bring it up to about \$850,000 this year. And the new budget brings it up to the authorization of a million and a half dollars.

The next item is for the Communicable Disease Center. Congress enacted a law which authorized us to make grants to States for a vaccination assistance program for very young children. We are asking for \$12,600,000 to launch the program this fiscal year. These funds would remain available until expended. They do not all have to be used by June 30, but it is to initiate the program, get the funds out to the States and get the program started and we want to take advantage of the spring period, prior to the summer period, because——

Mr. FOGARTY. Many of the States have already instituted their programs.

Mr. KELLY. Yes, sir.

The next item relates to the health program for migratory workers, which was enacted by the last Congress; and this is the amount authorized by law to initiate that program.

The items in hospital and medical care are of a technical nature. You have now corrected the problem that is associated with it. This is the amount we have to pay for the cost of dependent's medical care and we are unable to adequately estimate for it. You have now made this an indefinite appropriation but we are correcting for the years when it was not an indefinite appropriation. We are also asking for the cost associated with the pay increase and for wage board increases and for the increased housing allowance for military personnel. Because this has a non pay increase item in it, the pay increase items are also included in the request bill rather than in the separate pay bill. But I did not count this one as substantive when I referred to the 12.

The next two items are in the new Welfare Administration: Salaries and expenses for the Bureau of Family Services and grants to States for public assistance. These are the costs associated with the welfare amendments which were enacted last year which place a responsibility upon the States to do more in the way of social services and rehabilitation which involve increased expenses in carrying them out.

Mr. FOGARTY. These increases were to last 2 or 3 years and then the effect of the amendments would result in a reduction in costs.

Mr. COHEN. I would not say after 2 or 3 years, but after a reasonable period of time.

Mr. FOGARTY. I see.

Mr. KELLY. The item in the Children's Bureau relates also to the welfare amendments and this is designed to make it possible for the Children's Bureau to participate in the cost of day-care centers, which are one of the services authorized. They are designed to make it possible for the parents to work and leave their children in a day-care center.

And then we have Howard University which involves the application of a salary increase that is not dissimilar to the one given Federal employees. It has been customary to provide an increase in salary whenever the Federal employees' salaries were adjusted.

The last one is \$2 million to launch a program for grants for construction of educational television facilities to carry out the law enacted at the last session of Congress.

EFFECT OF NOT GETTING SUPPLEMENTALS LAST SESSION

Mr. FOGARTY. Now, many of these requests did not get through last year because of a parliamentary maneuver the last days of the session.

Mr. KELLY. That is right.

Mr. FOGARTY. Did that hamper the activities of the Department in any way?

Mr. KELLY. Mr. Chairman, it has to a degree, but we have gone as far as we possibly could with what we have. We have not just thrown up our hands and said we could not fulfill our responsibilities.

In some of these areas we have reprogramed our work and have gone about as far as we possibly can go until we get an appropriation.

Mr. FOGARTY. Has any hearing been scheduled on this?

Mr. KELLY. No, sir; but they have called for our justifications.

Mr. FOGARTY. Do you expect to get them up there?

Mr. KELLY. Yes, within the next couple of days.

ASSISTANCE FOR REPATRIATED NATIONALS

Mr. FOGARTY. Last year you asked for a supplemental for 1963 for "assistance for repatriated nationals." You did not get that, but now you aren't renewing the request.

Mr. KELLY. Well, the heaviest cost associated with that program is with respect to the repatriation of American citizens from Cuba. As you know, last October there was a complete cessation of flights from Cuba and the intake of repatriates is now very considerably below what we expected. Although I must say that we are now reexamining the estimates and we are a little concerned. But we hope we have enough money to see us through the year. It is somewhat dependent on whether or not flights are resumed.

RADIOLOGICAL HEALTH

Mr. FOGARTY. Last year you asked for a sizable increase for radiological health and you are not renewing the request this year. What has happened to change your minds?

Mr. KELLY. The nature of the program initially asked for there, Mr. Chairman, really could not be carried out within the time available if enacted at this late date. When we asked funds for this program, the program outlined was related to enactment in the fall of last year giving us 9 months to carry it out.

We have, however, as a result of the failure of enactment done some replanning of the funds that were—

Mr. FOGARTY. This had a really high priority for the last 2 or 3 years. Has something developed internationally that has lowered this item in priority?

Mr. KELLY. Not that I know of, Mr. Chairman. We had developed a pretty substantial rate, of increasing the program about \$3 million in 1964. This was on top of a very substantial increase we had in the regular budget for 1963. We went from a program level of a little over \$10 million in 1962 to over \$15 million in 1963.

Mr. FOGARTY. That is the reason I asked the question because of the priority it was given 3 or 4 years in a row and then all at once it seemed to change.

Mr. LESINSKI. At that point, Mr. Chairman, has Agriculture got any study going on in radiation?

Secretary CELEBREZZE. The Secretary of Agriculture was added to the Council on Radiation. He is now a member of it, and meets regularly with our group of which I am chairman.

Mr. LESINSKI. Does not the Department of Agriculture have a survey out in the field on milk, and so on.

Mr. KELLY. They participated with the Public Health Service in that. They have participated in research as to milk concerning ways

and means of which it could be decontaminated if excessive radiation were found.

Mr. LESINSKI. Doesn't the Civil Defense also have a similar program?

Secretary CELEBREZZE. They, of course are on the Federal Radiation Council. The Agriculture Department comes in when the milk becomes contaminated due to the feed, the grass becoming saturated with radiation. As you will recall, we had a problem up in Minnesota last year. We are studying ways and means not only as to how to reduce that but perhaps when we get these high levels of contamination in the feed—

Mr. LESINSKI. Silage?

Secretary CELEBREZZE. Yes. But that is the extent of it. The Department works in conjunction with us on it.

Mr. LESINSKI. The reason I brought the problem up, Mr. Secretary, was that you were asking why the funds were in and whether there was duplication of effort among the agencies.

Would you say, Mr. Secretary, in view of the fact other agencies were doing this work, there would be less work for your agency?

Secretary CELEBREZZE. No; I would not say there is less work for our agency. What has happened is, shortly after I came as the Chairman of the Federal Radiation Council, I found there was not sufficient coordination. We are now in the process of hiring—as a matter of fact they had a meeting last week—we are in the process of hiring a scientist to be Executive Director of the Council in order to coordinate all of these agencies. But the primary responsibility for the health of the Nation still rests with the Public Health Service.

Mr. LESINSKI. Thank you, Mr. Chairman.

ABSORBING PAY INCREASE

Mr. FOGARTY. You are also absorbing the pay increase in radiological health?

Secretary CELEBREZZE. We have exempted them from the 3-percent reduction in personnel.

Mr. KELLY. I think there are two parts to the problem. One is that in order to conserve manpower and in order to absorb the pay increases, the Secretary ordered, with limited exemptions, a decrease in total authorized staff of 3 percent. This decrease of 3 percent in staff did not apply to radiological health; it was exempted because of the priority of the item.

Mr. LAIRD. But were the pay increases absorbed?

Mr. KELLY. No. In determining the amount of pay increase that we should request the Congress for, we took advantage of the savings which resulted from the 3-percent reduction in staff and we also took advantage of unobligated balances which existed at the time we put together the analysis. The unobligated balances available in the radiological health program occasioned us not to ask for it so that although we had not imposed this limitation on their staffing, there have been savings so—

Mr. LAIRD. The answer is "Yes"? You spent about three paragraphs of testimony in order to say "Yes."

Mr. KELLY. That's right.

Mr. CELEBREZZE. Was that in regard to the pay increases?

Mr. LAIRD. Yes.

Mr. CELEBREZZE. I thought you meant the 3-percent reduction. I might add on the pay increase the President has requested that we absorb as much as possible and the Congress, in its legislation, in granting the pay increases, requested that we absorb part of it wherever possible without curtailing any of the vital activities. So we were under instructions both from the executive branch and the legislative branch on this trying to absorb as much as possible of the pay increase.

Mr. LAIRD. I was not trying to quarrel about it, Mr. Secretary, but it seemed to me that the answer to the question of whether the pay increases were absorbed was "Yes," one word—.

Secretary CELEBREZZE. That was partly my fault. I got the pay increases confused with the staff reduction of 3 percent.

EXPANDING FOOD AND DRUG PROGRAMS

Mr. FOGARTY. Last year you asked for a supplemental of \$2,600,000 for the Food and Drug Administration. The President's budget delivered to Congress about a month ago indicated \$1,174,000 of this was again going to be requested, but you aren't requesting anything. What happened during the last month?

Mr. CELEBREZZE. Mr. Chairman, as I stated earlier, since being Secretary I have devoted a great deal of time to the Food and Drug Administration and given attention to the need to have more effective controls over the drugs which our citizens use and rely on.

Not only did we proceed to consider effective drug controls but basically we have considered new drug amendments, as I stated in my opening statement.

As I indicated in a letter which was sent to this committee, I think last month, we are proceeding to reprogram \$1.3 million of already enacted appropriations in order to add 232 staff positions for the implementation of the new authorities that were granted to us by Congress. Recruiting has begun against this increased authorization. It has not, however, proceeded as rapidly as we hoped, because a number of additional positions fall in relatively scarce occupational groups and because we do not want to dilute the high standards.

Now, there is no doubt if we demonstrate our ability to obtain qualified staff, the Budget Bureau said they would consider a supplemental appropriation request.

Now we have—

Mr. FOGARTY. You are never sure of a supplemental though, are you?

Secretary CELEBREZZE. Well, that is what the Budget Bureau tells us.

Mr. FOGARTY. In view of what happened last year, let me add that—

Secretary CELEBREZZE. As you know we are requesting an increase for the Food and Drug Administration of 635 positions, which is at a pretty rapid pace. We have been allocated 635 new positions.

Mr. FOGARTY. Do you think that is enough?

Secretary CELEBREZZE. I don't think that that is enough for the total program but again we get back to the basic question, how fast can we tool up and how fast can we find the personnel. As I say,

we hope to show a big jump in June or July when the universities and colleges graduate their classes, because we have representatives out now interviewing college students.

Mr. FOGARTY. On the other hand, though, the actual request for salaries and expenses of the Bureau of Family Services and the Children's Bureau are higher than estimated in the President's budget.

Mr. KELLY. I think that is because the pay increase is included with the supplemental. Wherever you have a substantive supplemental you ask for pay increases as a part of it. If there is no substantive supplemental, it is all asked for in one place.

ABSORBING PAY INCREASE

Mr. FOGARTY. Now, you have a prepared table on how much of the pay costs you are going to absorb in 1963?

Mr. KELLY. Yes.

Mr. FOGARTY. What does it total?

The total amount is \$13,490,000; is that right?

Mr. KELLY. That is not quite clear. That is the amount that does not require an appropriation, but included in that \$13.4 million is authorization for the Bureau of Old-Age and Survivors Insurance to use trust funds in the amount of \$6,314,000, so that the absorption is just about \$7 million in total, out of \$17 million.

In summary, total pay costs of the Department is \$17.1 million including the related cost; and we are absorbing \$7.2 million or 42 percent in total funds. The absorption is 59 percent of the appropriated funds.

Mr. FOGARTY. Does the Public Health Service absorb all that increase?

Mr. KELLY. All but \$2,329,000. They are absorbing \$4 million, and requesting Congress to appropriate \$2,329,000.

Mr. FOGARTY. The Department of Labor was here a couple of weeks ago. They did not absorb any pay increase, did they?

Mr. MOYER. They told us there was no absorption.

(The following detailed tabulation was submitted at the request of the committee:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

1963 pay costs

65

	Public Law 87-793	Wage boards	Quarters	Per diem	Other	Total costs	Amount absorbed	Supplemental required
Food and Drug Administration:								
Salaries and expenses.....	\$829,500	\$2,900				\$832,400	\$6,400	\$826,000
Salaries and expenses, certification, inspection, and other services.....	65,000					65,000	65,000	
Total, Food and Drug Administration.....	894,500	2,900				897,400	71,400	\$26,000
Office of Education:								
Salaries and expenses.....	425,019					425,019	425,019	
Payments to school districts: Federal Aviation Agency.....	3,300					3,300	3,300	
Department of the Interior.....	200					200	200	
Assistance for school construction: Housing and Home Fi- nance Agency.....	35,000					35,000	35,000	
Advances and reimbursements.....	7,130					7,130	7,130	
Total, Office of Education.....	470,649					470,649	470,649	
Vocational Rehabilitation Administration: Salaries and ex- penses.....	100,000					100,000	100,000	
Public Health Service:								
Accident prevention.....	45,000		\$4,000			49,000	49,000	
Chronic diseases and health of the aged.....	46,400		8,000	\$12,000		66,400	66,400	
Communicable diseases.....	182,000	5,400	26,000	41,600		255,000	255,000	
Community health practice and research.....	88,200		17,000	14,000		89,200	89,200	
Control of tuberculosis.....	35,000	800	3,200	2,000		41,000	41,000	
Control of venereal diseases.....	144,000	2,000	5,000	5,000		156,000	156,000	
Dental services and resources.....	150,000		8,000	11,000		169,000	169,000	
Nursing services and resources.....	16,400		7,000	6,000		29,400	29,400	
Hospital construction activities.....	16,000		2,500	2,500		20,500	20,500	
Environmental health sciences.....	91,500		2,500			96,500	96,500	
Air pollution.....	114,000		13,000	17,000		144,000	144,000	
Milk, food, interstate, and community sanitation.....	59,000	900	19,000	15,100		94,000	94,000	
Occupational health.....	37,800	700	7,000	7,300		52,800	52,800	
Radiological health.....	114,000		39,000	10,000		163,000	163,000	
Water supply and water pollution control.....	243,000		20,200	32,800		296,000	296,000	
Hospitals and medical care.....	756,000	373,000	144,000	18,000	1 \$200,000	1,491,000	236,000	1,255,000
Foreign quarantine activities.....	145,000	48,500	8,500	8,000	2 38,000	229,000	229,000	19,000
Indian health activities.....	763,000	322,000	41,000	48,000		1,174,000	119,000	1,055,000
Construction of Indian health facilities.....	22,000					22,000	22,000	
General research and services, National Institutes of Health, Biologics standards.....	154,000	3,000	7,000	4,000		168,000	168,000	

See footnotes at end of table.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued

1963 pay costs

	Public Law 87-733	Wage boards	Quarters	Per diem	Other	Total costs	Amount absorbed	Supplemental required
Public Health Service—Continued								
National Cancer Institute.....	\$499,000	\$7,000	\$21,000	\$32,000		\$559,600	\$559,600	
National health institutes.....	454,000		51,000	8,000		513,000	513,000	
National Heart Institute.....	303,100	2,000	52,000	29,000		386,100	386,100	
National Institute of Dental Research.....	67,000	1,000	7,000	5,000		80,000	80,000	
Arthritis and metabolic disease activities.....	261,000		17,000	12,000		290,000	290,000	
Allergy and infectious disease activities.....	196,000	7,000	18,000	4,000		225,000	225,000	
Neurology and blindness activities.....	268,600	1,000	9,000	3,000		281,600	281,600	
National health statistics.....	109,400		2,000	3,000		114,400	114,400	
National Library of Medicine.....	53,000	300	400			54,000	54,000	
Salaries and expenses: Office of the Surgeon General.....	175,000		4,000	1,000		180,000	180,000	
Emergency health activities.....	75,000		10,000	4,000		89,000	89,000	
Operation of commissaries, narcotic hospitals.....	1,700					1,700	1,700	
Service and supply fund.....	51,700					51,700	51,700	
Working capital fund, narcotic hospitals.....	12,400					12,400	12,400	
Consolidated working fund—grants for research.....	2,400					2,400	2,400	
Total, Public Health Service.....	5,606,600	774,600	570,800	355,600	\$238,000	7,545,600	5,216,600	\$2,329,000
St. Elizabeths Hospital: Salaries and expenses.....	550,000	114,000				644,000	644,000	
Social Security Administration:								
Bureau of Old-Age and Survivors Insurance.....	7,757,000	46,695				7,803,695	1,489,695	6,314,000
Bureau of Federal Credit Unions.....	140,000					140,000	140,000	
Total, Social Security Administration.....	7,897,000	46,695				7,943,695	1,629,695	6,314,000
Welfare Administration:								
Bureau of Family Services.....	139,000					139,000		139,000
Assistance to repatriated U.S. nationals.....	2,500					2,500	2,500	
Children's Bureau.....	113,600					113,600	42,000	71,600
Juvenile delinquency and youth offenses.....	3,700					3,700	3,700	
Total, Welfare Administration.....	258,800					258,800	48,200	210,600
Other: Social Security Administration-Welfare Administration:								
Office of the Commissioner:								
General funds.....	26,000					26,000		26,000
Trust funds.....	18,000					18,000		18,000
Total, other Social Security Administration-Welfare Administration.....	44,000					44,000		44,000
Freedmen's Hospital: Salaries and expenses.....	108,000	15,000				123,000	123,000	

Gallaudet College: Salaries and expenses.....	22,000					22,000			22,000		
Howard University: Salaries and expenses.....	348,000					348,000			348,000		
Office of the Secretary:											
Salaries and expenses.....											
General funds.....											
Trust funds.....											
Salaries and expenses, Office of Field Administration:	102,000					102,000			102,000		
General funds.....	17,000					17,000			17,000		
Trust and BFCU funds.....											
Surplus property utilization.....	132,000					132,000			132,000		
Salaries and expenses, Office of the General Counsel:	45,000					45,000			45,000		
General funds.....	32,080					32,080			32,080		
Trust funds.....											
Working capital fund.....	39,000					39,000			39,000		
Advances and reimbursements.....	31,000					31,000			31,000		
	23,334					23,334			31,265		
	16,400					16,400			16,400		
	7,931					7,931			19,000		
Total, Office of the Secretary.....	437,814					445,745			93,745		
Total, Department of Health, Education, and Welfare:											
Appropriated funds.....	8,576,163					8,576,163			6,618,394		
Other funds.....	8,141,200					8,141,200			1,778,895		
Grand total, Department of Health, Education, and Welfare.....	16,717,363					16,717,363			8,397,289		

² Hong Kong refugee program.

¹ See the following:

Outpatient visits.....	\$68,500
Outside hospitalization.....	47,000
Increased cost of utilities, communications and fee basis consultants.....	84,500
Total.....	200,000

BUDGETARY RESERVES

Mr. FOGARTY. What has been the effect of the reserves that have been established out of the 1963 appropriations?

Mr. KELLY. Only two kinds of reserves have been established, Mr. Chairman. One is where you don't anticipate using the funds until the next fiscal year; and the other is where there is no current program for their use, such as in the National Institutes of Health. About \$25 million was placed in reserve simply because when the National Institutes of Health prepared their request for apportionment their prediction was that the number of approvable projects at that time came out leaving \$25 million that they did not expect to use this fiscal year. But with the understanding we had in prior years that if the approved projects were greater than expected they could resubmit their request for apportionment of the funds.

Another instance where we have reserves is in construction projects which have not yet been approved either for planning or for construction. The normal sequence is that those funds are held in reserve until we are ready to proceed.

Mr. FOGARTY. And the only administrative reserve you have then is in the field of scientific activities overseas; is that right? \$168,000?

Mr. KELLY. Yes, sir. That is the only one I see; yes, and this one—

Mr. FOGARTY. Why is that?

Mr. KELLY. I would like to get you a statement on it. I honestly don't know except we follow a sequence of communicating with the Treasury Department on the availability of the specific types of currency for specific projects that may be involved.

(The statement follows:)

The \$168,838 administrative reserve in "Scientific activities overseas" represents dollars in excess of availability of foreign currencies, and comes about by reason of fluctuation in foreign exchange. In the early part of the fiscal year, the Treasury Department allocates to this Department—within its availability—units of foreign currencies that are excess to the normal U.S. requirements. The amounts so allocated are determined by applying the then current rate of exchange to the dollars appropriated. Actual purchases of these currencies are not made until needed to liquidate obligations. Rates of exchange have varied from the date of allocation to the extent that purchase of foreign currency units within this Department's allocation will require \$168,838 less than originally estimated. If it is possible for the Treasury Department to allocate additional units of foreign currency to meet program needs as they develop, these funds will be released from reserve and used for the purchase of such currencies.

BUREAU OF THE BUDGET REDUCTION OF FDA REQUEST

Mr. FOGARTY. The Food and Drug Administration, Mr. Secretary, asked the Department for \$40,435,000 and you requested \$37,299,000. Did that tie into the ability to get the personnel you wanted? Is it an across-the-board cut or what?

Secretary CELEBREZZE. Mr. Chairman, part of it was because we could not tool up as fast as we had anticipated and, second, because if we did tool up as fast as we would like, we didn't have the space in which to put these people.

Part of it was the reduction by the Budget Bureau, but—

Mr. FOGARTY. The Budget Bureau, I think, cut you over a million.

Secretary CELEBREZZE. Yes. But I appealed that to the Bureau of the Budget. We appealed and got part of it restored.

Mr. FOGARTY. To \$39,805,000?

Secretary CELEBREZZE. Yes. I think that is a sufficient rate of expansion. As I stated earlier, if we step up the pace on personnel, the Budget Bureau will let us bring in a supplemental for 1963.

BUILDINGS AND FACILITIES

Mr. FOGARTY. For buildings and facilities, you took the Department's estimate of \$20,758,000 and then the Bureau of the Budget cut this by over \$6 million.

Secretary CELEBREZZE. First of all, we have increased the consumer protection by 28.1 percent in total funds and by 19.6 percent in staff. In 1964, it is proposed that we establish a separate appropriation for the construction, alteration, and equipment of facilities for the Food and Drug Administration. This would be in place of the present method of obtaining facilities through lease arrangements. The budget provides \$4,300,000 for additional headquarters laboratory facilities; \$80,000 for animal care facilities, and \$9,638,000 for the expansion and modernization of District office facilities. As you recall, Mr. Chairman, I think Congress took a position that they would not permit the old system of building the buildings and leasing the buildings back. It was requested we build our own facilities and that has been incorporated in our request.

Mr. FOGARTY. Have not most of the regional offices been taken care of?

Mr. KELLY. We still have about six to go, Mr. Chairman. And this past year—as you know we have been building leased buildings, but you have provided appropriations for both fixed and movable equipment. We are now asking you to provide money to construct the buildings where we have not already done so. The 1963 Independent Office Appropriation Act requires that buildings of \$250,000 or more, which are to be constructed as a leased facility would require approval of the Public Works Committee, the same as if it were a Federal construction under the Property and Procedures Act of 1949. We looked into this and went over each of our projects and determined that in the future we would ask you to provide the funds for direct Federal construction rather than proceeding down this route of leased construction.

FEDERAL AID TO IMPACTED SCHOOL DISTRICTS

Mr. FOGARTY. Now, in education, payments to school districts. They cut down the Departments' request by almost \$6 million. What was that cut for?

Secretary CELEBREZZE. The reason for that was taking the proposed legislation and the existing legislation shown together, the increase for payments to school districts will provide full entitlement in 1964 to an additional 300 school districts on behalf of an increase of almost 125,000 pupils, or an increase of about 7 percent. The average rate

of payments is also estimated to rise by 7 percent. There was a 2-percent decline in the anticipated number of children, about 60,500, who will be eligible under provisions of Public Law 815.

Mr. FOGARTY. Will this proposed legislation take in the District of Columbia?

Mr. COHEN. Yes.

Secretary CELEBREZZE. I think the proposed legislation will, if passed.

Mr. FOGARTY. Will the children of parents living off the military bases or reservations be considered in the total number of eligible children?

Secretary CELEBREZZE. Yes. You have two groups which you would take into consideration. Let me refer to them as the "A" and "B" groups. The "A" group lives on base and the "B" group are those that live off the base.

Mr. FOGARTY. This is a change in the thinking of the administration?

Secretary CELEBREZZE. I thought it was generally the same as we had been following.

Mr. KELLY. No. The proposal that is before you this year is to extend without change for 1 year the provisions of both 815 and 874 as it relates to the off-base children, but in the 4 years following fiscal 1964, to amend the authorization so as to decrease the entitlement with respect to children that live off the base from 50 percent to 40 percent. So it is a change in the sense the proposed reduction in future years is not as great as has heretofore been proposed and the effective date is proposed to be deferred 1 year in recognition of the fact that school districts have already prepared their budgets and that there is an uncertainty associated with it.

Mr. FOGARTY. That is a change in attitude.

Secretary CELEBREZZE. That is right, sir.

Mr. FOGARTY. But Congress has been pretty definite in regard to these two laws since 1950.

Secretary CELEBREZZE. Very definite.

SCHOOL CONSTRUCTION

Mr. FOGARTY. Now that cut of \$27,500,000 in school construction, what was that for?

Mr. KELLY. The two items together, amount to a \$33,200,000 reduction. The estimates when prepared were speculative in nature very early in the budget season, as to how much it might cost to construct facilities and to operate facilities, the on-base facilities, because of the application of the suitability ruling. The budget was prepared without including any speculation as to what that might cost on the basis that we didn't want to predict that some school, when their attention was called to what the law required, would not abide by it. So that there is nothing included in the estimates specifically as a cost associated with that suitability ruling.

Secretary CELEBREZZE. I may add, Mr. Chairman, the reason we are almost compelled to work it this way is we are still working with the school districts, trying to get this problem resolved. In some instances we have resolved it; in other instances, we have not resolved

it. And so it is rather difficult for us to estimate just how much we will have to spend to build on-base school facilities under the suitability ruling. So we thought we would handle it this way, in the event we have to utilize the funds that would normally be used, we would have to come back in with a supplemental request.

COOPERATIVE RESEARCH

Mr. FOGARTY. Do you think \$17 million is enough for cooperative research in education?

Secretary CELEBREZZE. Yes. I am of that opinion. That is an increase over last year and I feel that after consulting with—

Mr. FOGARTY. That is a very popular program, is it not?

Secretary CELEBREZZE. It is, Mr. Chairman. On the other hand, you just cannot go on a popularity basis, because you have some limitation as to just how much you can spend in these programs and how fast you can increase them.

I think in the 7 years the cooperative research has been in being—

FOREIGN LANGUAGE TRAINING

Mr. FOGARTY. You really did a job on foreign language training and area studies—from \$8,500,000 to \$2,500,000.

Secretary CELEBREZZE. Yes, this program, which is new to the Department as you know, is intended to supplement language training and area studies, supported by the National Defense Education Act.

The request of \$2.5 million would initiate a program of about 450 exchange students, teachers, and school administrators, between this country and foreign countries, in order to improve the teaching of modern foreign languages in the United States.

Our reduction of \$6 million in the agency request does not reflect on the basic worth of this program, but merely a difference in judgment about how quickly we should expand this program. We strongly support the \$2.5 million request as a sound and well-balanced program and one which provides a reasonable rate of growth over similar activities that have been supported previously in international exchange programs.

Mr. FOGARTY. Did Dr. Keppel agree with you?

Secretary CELEBREZZE. Everything that we have put in the Office of Education has been gone over with Dr. Keppel, and he indicated to me he was in agreement with it.

SALARIES AND EXPENSES, OFFICE OF EDUCATION

Mr. FOGARTY. You cut the Office of Education's salary and expenses a pretty good clip, \$2 million.

Secretary CELEBREZZE. Yes, but you must remember, Mr. Chairman, we have increased tremendously the appropriation for the educational programs? The Office of Education, in my opinion, fared fairly well on the amount of increase in 1964.

Now on salaries and expenses, we allowed them 138 new jobs and \$3.4 million to administer new and expanded programs, to strengthen educational statistics activities and to provide more research and other activities in such critical areas as urban educational problems,

financing of higher education, developing of adult education programs and teaching handicapped children.

The Department reduced the Office of Education's request by 254 positions and \$2.3 million to reflect about a 15 percent rate of growth over 1963. And within the level provided, we put special emphasis on strengthening those problem areas which the administration has identified as most needing increased Federal support and attention.

The Bureau of the Budget reduction of 22 positions and \$258,000 was applied primarily to the areas of research and consultative services.

As I said earlier, I think the Office of Education this year has fared rather well in its overall increases.

Mr. FOGARTY. Do you think they are happy about it?

Mr. MILES. These requests were submitted before Commissioner Keppel arrived, Mr. Chairman. I just wanted to put that on the record.

Mr. FOGARTY. Is he happy with this cut?

Mr. KELLY. I think he is very pleased with the increase, Mr. Chairman.

Secretary CELEBREZZE. In my conversation with Mr. Keppel—we try to work as close as we possibly can—I found him to be well pleased with the budget. On the other hand, being realistic, Mr. Keppel being an educator, he can always use more. I have not found anyone in the Department who does not say he could use more.

Mr. FOGARTY. This was not a condition for his accepting the job; was it?

Secretary CELEBREZZE. Absolutely no conditions. Absolutely no conditions.

Mr. FOGARTY. I read a few stories in the newspapers that there were conditions, but you cannot believe everything you read in the newspapers.

Secretary CELEBREZZE. The newspapers were absolutely wrong. There were no conditions attached to bringing Mr. Keppel in, nor were there any conditions when I came in.

SALARY OF COMMISSIONER OF EDUCATION

Mr. FOGARTY. We have had difficulty getting people to take this job of Commissioner of Education. I think it is a crime to ask anybody with the qualifications he should have to come here to Washington at the salary we are paying the Commissioner of Education.

Secretary CELEBREZZE. Mr. Chairman—

Mr. FOGARTY. I do not know how they can afford to take the job.

Secretary CELEBREZZE. Let me say this to you, we hire a Commissioner of Education and pay him \$20,000 a year. Most of your school superintendents—for example, your school superintendent in Pittsburgh—make much more.

Dr. Willis in Chicago is making about \$48,000 now; Pittsburgh pays about \$35,000 now; New York pays \$40,000, so—

Mr. FOGARTY. I remember Mr. Brownell went to Detroit at a very substantial increase.

Secretary CELEBREZZE. But then, Mr. Chairman, I might also say I think the amount of work the Congressmen do and the amount of work other people do, they are being underpaid, too.

VOCATIONAL REHABILITATION

Mr. FOGARTY. Let's go on to vocational rehabilitation. You cut Miss Switzer's research request by almost \$2 million.

Secretary CELEBREZZE. Miss Switzer is happy.

Mr. FOGARTY. I thought she would be unhappy about this.

Secretary CELEBREZZE. No, she was very happy because we increased her, I think, 45 percent over the 1963 budget. In other words, we have increased Mary Switzer's administration \$11,330,000, or a 45-percent increase over 1963.

Mr. FOGARTY. You also cut her request for salary and expenses?

Secretary CELEBREZZE. It is the largest increase in the history of the research and training program and provides \$5.5 million for an increase of 106 additional research and demonstration projects; \$4,230,000 for an increase of 34 long-term teaching grants and 454 traineeships over 1963; an increase of \$1.3 million for maintaining on a full-year basis all four of the presently established special rehabilitation research and training centers and establishing two additional ones in 1964; and \$300,000 to initiate domestic support of the oversea rehabilitation research program.

The Department's allowances substantially supported the overall objectives and scope of the programs proposed and the reductions related primarily to a consideration of the rate of expansion in 1 year and the balance which should be maintained under the various program categories. The reductions were \$400,000 for the domestic support of the special foreign currency research and training program; \$800,000 for the training and traineeship program; and \$540,000 for the research grants and demonstrations program.

The Bureau of the Budget, for similar reasons, reduced the total request by \$2,830,000, of which \$960,000 was applied by the Department against research grants and demonstrations, and \$1,870,000 against traineeship—and I might say, Mr. Chairman, this is another area in which I appealed some of the budget cuts by the Bureau and some parts of it were restored.

Mr. FOGARTY. You are not giving her too much.

Secretary CELEBREZZE. You can never give Mary Switzer, who is really a dynamo in this type of work, too much money.

Mr. FOGARTY. I think it is a very conservative budget you are presenting here for this office. I think these increases are very conservative.

NUMBER OF PEOPLE TO BE REHABILITATED

We have been listening to testimony that 200,000 people per year should be rehabilitated for 10 years now. In your highest expectation for 1964 it is 126,000.

Secretary CELEBREZZE. We expect to reach 126,000.

Mr. FOGARTY. We were told by Secretary Hobby that we ought to be rehabilitating 200,000 a year. So we are not doing as well as we ought to?

Secretary CELEBREZZE. Mr. Chairman, the program, again, is a balanced program, having not only the staff but the physical facilities we ought to have to do this.

Mr. FOGARTY. When can you reach it?

Secretary CELEBREZZE. When can we reach 200,000? I would not venture a guess, Mr. Chairman. I would hope we would reach it as soon as possible because, as I said to you in my opening statement, of the 100,000 we have rehabilitated, 17,000 of them were on welfare programs, costing us about \$18 million.

Mr. FOGARTY. I think it is a wonderful program. I do not think you are going fast enough though.

Secretary CELEBREZZE. May I say this, Mr. Chairman—

Mr. FOGARTY. I think you can go faster.

Secretary CELEBREZZE. Sometimes you can go too fast and not accomplish as much as where you have a well thought out, well planned program. You can move in an area completely too fast without having set the proper planning, the proper base for it. It will move fast, but your ultimate results will be more costly.

Mr. COHEN. I think, Mr. Chairman, we have to have some amendments to the program to accomplish that 200,000 more rapidly than we have in the past. We are going to send up again the legislation that we proposed last year, which I think would accelerate that, because your point is well taken. Under the present program, there are certain impediments to the rapid accomplishment of that purpose.

Mr. KELLY. I would also like to point out—

Mr. FOGARTY. You do not need legislation to rehabilitate the more difficult cases. This committee has been insisting on that over the years. I am talking about the deaf and the blind and the mentally retarded, and other such categories.

NEW LEGISLATION TO AID REHABILITATION

Mr. KELLY. One of the considerations in the new legislation, Mr. Chairman, are the more difficult ones, cases like the mentally retarded. One of the problems Miss Switzer brought to the Secretary's attention was that now, before doing any work at all, they must make a determination that it is reasonable to assume that this person can be rehabilitated so that they are employable, and that this is a difficult determination to make. So one of the provisions of the amended law is that you do not have to make, with this degree of certainty, that decision.

You can take a person on a trial for rehabilitation without having to make a final decision that you do expect them to be employable. It may turn out you can't bring them to that state, but you can improve them.

In the State grants program, the budget does provide to the best of our ability to estimate all of the Federal funds that States will be prepared to match in 1964.

Mr. FOGARTY. What are some of the impediments?

Mr. COHEN. Well, the one, as Mr. Kelly mentioned, at the present time, we can only provide services to these handicapped people where the employment potential is reasonably clear at the outset. We are proposing, with regard to the mentally retarded, that this period could be up to 18 months, because—

Mr. FOGARTY. What about the blind and the deaf?

Mr. COHEN. Well, we are also suggesting with them—

Mr. FOGARTY. And those with cerebral palsy?

Mr. COHEN. That we can do that up to 6 months.

Miss Switzer would be permitted to work with those cases for 6 months, even though at the onset it wasn't clear, there was a vocational potential or not. And thus we would be working with more of those blind and deaf and other handicapped cases.

Mr. FOGARTY. What about the blind retarded?

Mr. COHEN. Well, the blind retarded would come under the retarded 18-month provision under our legislation, so she could work with them for 18 months.

Mr. FOGARTY. I will ask her when she gets here. But there will not be many blind retarded that have been rehabilitated under this program since it has been in existence.

Mr. LAIRD. Mr. Chairman, the Secretary and Mr. Cohen are talking about this program as though it were a Federal program. They keep talking about what Miss Switzer can do, but this is a State program.

Secretary CELEBREZZE. Yes.

Mr. LAIRD. I hope we are not going to try to federalize vocational rehabilitation.

Secretary CELEBREZZE. No. I think it was in response to the chairman's request, whether Miss Switzer was satisfied with this.

Mr. LAIRD. This really is a State program.

Mr. FOGARTY. Maybe I mixed it up because I have known her so long and know how active she has been and how successful she has been with all the Secretaries that I have known that I was surprised that the part of the budget she works with was cut.

Mr. COHEN. Mr. Chairman, I would like to mention one other point, since you asked.

Of course, one of the impediments of the present legislation is the failure to be able to include certain types of private contributions for rehabilitation facilities and workshops, and we have included in our legislation an amendment that would authorize the use of those funds for matching purposes.

Mr. LAIRD. Retroactively?

Mr. COHEN. Yes, sir. Take care of certain problems that have been raised in certain communities.

Mr. Chairman, I think also in our proposal, the point that the Secretary has made with regard to helping increase rehabilitation facilities is an extremely important point. Because they have both the problem of increased staff people as well as the facilities. And we believe that if we could do something more on the facilities side, the States then, as Mr. Laird has indicated, would be able to perhaps proceed at a faster rate to implement the program.

EXPANSION NEEDED IN MENTAL RETARDATION AND REHABILITATION

Mr. FOGARTY. Mr. Secretary, I have been under the impression for some time that we ought to be spending a great deal more money in research and training. One of the greatest impediments to vocational rehabilitation today is the lack of trained personnel in this field. It is almost impossible to get them. I thought we ought to be going all out in this area, not cutting back.

Secretary CELEBREZZE. On the other hand, Mr. Chairman, if we pass our educational bill, we ought to be able to get more trained personnel in specialized fields of this nature.

Mr. FOGARTY. I hope the success of this program is not going to depend on passage of that bill.

Secretary CELEBREZZE. I think you recognize the need of additional trained people in the area of education.

Mr. FOGARTY. I am just being a little practical now. I am for rehabilitation. I know you are. And I know you have a great record in this field, when you were mayor of Cleveland, and I think the fact was mentioned when you were named Secretary.

Secretary CELEBREZZE. Let me say this to you, because I have been at meetings on mental retardation and some of the other programs we are conducting, and invariably at the question period, invariably somebody gets up and says: The Federal Government and States are just spending too much money in this area.

My answer to them is, again, the same as I answered the previous question of yours: If you have ever talked to a mother who had a retarded child or crippled child, then you realize you are not going fast enough for that mother. The same way with cancer research or heart research; if you visit the cancer hospitals and see the suffering people are enduring, you would say we are not moving fast enough.

If you have not seen the mothers of retarded children, you say we are moving too fast, spending too much money. It depends on how close you are to the problem to appreciate it.

Mr. FOGARTY. I appreciate the problem. This committee started this program off in 1955. I have been complaining every year since then that the administrations have not requested sufficient funds in this area.

Many times this committee has increased the appropriations, and I think the recommendations made by the President are not enough in his special message on mental retardation. I do not think he goes far enough—he does not go far enough to suit me.

Rehabilitation and mental retardation; those are two areas I thought you would really go all out for, especially in training people. We have been told for some time now that that is one of the real drawbacks.

Mr. MILES. The table does not show it, but the fact of the matter is that there is an \$11 million increase, a 45-percent increase over 1963.

Secretary CELEBREZZE. Yes; I stated that.

Mr. FOGARTY. Yes; the Secretary stated that.

Mr. MILES. That is a real healthy increase.

Mr. FOGARTY. You think it is healthy, but I think we can spend more money in that area to real advantage.

Mr. LAIRD. Mr. Chairman.

Mr. FOGARTY. Yes, sir.

TABULAR HISTORY OF 1964 BUDGET

Mr. LAIRD. I wonder if this table could be changed so that we have the figures for 1963, also. It would mean a lot more to me if we had that additional comparison.

Mr. FOGARTY. Will you make that addition and put the table in the record?

Mr. KELLY. Yes. We will be glad to.

This table was prepared in format requested last year, but we will be glad to put it in.

Mr. LAIRD. Would it not be more helpful if we could see what last year's level was?

Mr. KELLY. It would be more helpful to us.

We gave the Secretary what the increase was and what he took out because that is the only context in which you can review it.

(The table referred to follows:)

History of the 1964 budget

Agency and appropriation (a)	1963 appropriation ¹	1964 estimate to Department	1964 Department estimate to Bureau of the Budget	1964 President's budget	Difference, col. (b) minus col. (d)	Difference, col. (c) plus or minus col. (d)
Food and Drug Administration: Salaries and expenses..... Buildings and facilities..... Total, FDA.....	2,927,940,000 31,020,000 28,960,000	840,435,000 20,758,000 61,193,000	\$37,299,000 20,758,000 58,057,000	\$35,505,000 14,018,000 49,523,000	-\$4,630,000 -6,740,000 -11,370,000	-\$1,494,000 -6,740,000 -8,234,000
Office of Education: Promotion and further development of vocational education (annual) Promotion of vocational education, act of Feb. 23, 1917 (permanent) Further endowment of colleges of agriculture and the mechanic arts (annual) Colleges for agriculture and the mechanic arts (permanent) Grants for library services..... Payments to school districts (includes proposed legislation) Assistance for school construction (includes proposed legislation) Defense educational activities..... Expansion of teaching in education of the mentally retarded Expansion of teaching in education of the deaf (includes proposed legislation) Cooperative research..... Educational research (special foreign currency program) Foreign language training and area studies..... Salaries and expenses..... Total, Office of Education.....	34,716,000 7,161,455 11,950,000 2,550,000 7,500,000 282,322,000 63,686,000 229,450,000 1,000,000 1,500,000 6,985,000 400,000 12,899,000 692,119,455	34,756,000 7,161,455 11,950,000 2,550,000 7,500,000 326,370,000 89,284,000 229,620,000 1,000,000 1,500,000 17,000,000 823,000 8,500,000 18,808,462	34,756,000 7,161,455 11,950,000 2,550,000 7,500,000 320,670,000 61,784,000 229,620,000 1,000,000 1,500,000 17,000,000 823,000 2,500,000 16,519,150	34,756,000 7,161,455 11,950,000 2,550,000 7,500,000 320,670,000 61,784,000 229,620,000 1,000,000 1,500,000 17,000,000 800,000 2,500,000 16,261,000	----- ----- ----- ----- ----- -3,700,000 -27,500,000 ----- ----- ----- ----- -23,000 -6,000,000 -2,547,462 -281,150	----- ----- ----- ----- ----- ----- ----- ----- ----- ----- ----- ----- ----- ----- -281,150
Vocational Rehabilitation Administration: Grants to States: Basic support program..... Expansion and improvement program..... Research and training..... Research and training (special foreign currency program) Salaries and expenses..... Total, Vocational Rehabilitation Administration.....	71,240,000 1,700,000 25,500,000 2,000,000 2,480,000 102,920,000	85,700,000 5,000,000 41,400,000 3,800,000 3,570,000 139,470,000	85,700,000 5,000,000 39,690,000 3,500,000 3,005,000 136,865,000	85,700,000 3,000,000 36,830,000 3,000,000 2,905,000 131,435,000	----- ----- -2,000,000 -4,570,000 ----- -8,035,000	----- ----- -2,000,000 -2,830,000 -500,000 -100,000 -5,430,000
Public Health Service: Buildings and facilities..... Accident prevention..... Chronic diseases and health of the aged..... Communicable disease activities..... Community health practice and research..... Control of tuberculosis..... Total, Public Health Service.....	33,200,000 3,660,125 50,963,370 24,931,000 29,921,400 6,783,000	87,564,000 7,621,000 75,240,000 51,988,000 44,207,000 9,929,000	42,064,000 5,182,000 59,100,000 31,230,000 32,843,000 6,870,000	19,072,000 4,557,000 55,907,000 30,429,000 31,648,000 6,828,000	-68,492,000 -2,764,000 -19,333,000 -21,559,000 -12,559,000 -3,101,000	-22,992,000 -325,000 -3,255,000 -801,000 -1,195,000 -42,000

Control of venereal diseases.....	7,594,000	9,988,000	9,934,000	9,588,000	-400,000	-346,000
Dental services and resources.....	5,431,000	12,860,000	8,648,000	6,227,000	-6,633,000	-2,421,000
Nursing services and resources.....	10,879,000	22,746,000	11,371,000	11,245,000	-11,501,000	-126,000
Hospital construction activities.....	226,211,000	232,332,000	230,386,000	179,514,000	-52,878,000	-50,872,000
George Washington University Hospital construction.....		2,500,000	2,500,000	2,500,000		
Environmental health sciences.....	2,236,000	10,180,000	5,139,000	4,246,000	-5,934,000	-893,000
Air pollution.....	11,062,000	25,332,000	14,599,000	12,998,000	-12,334,000	-1,601,000
Milk, food, interstate, and community sanitation.....	7,771,000	18,175,000	9,783,000	9,079,000	-9,096,000	-704,000
Occupational health.....	4,121,000	10,268,000	5,026,000	4,621,000	-5,647,000	-406,000
Radiological health.....	15,787,961	39,977,000	21,849,000	18,776,000	-21,201,000	-3,073,000
Water supply and water pollution control.....	24,651,000	48,736,000	32,740,000	29,980,000	-18,770,000	-2,760,000
Grants for waste treatment works construction.....	90,000,000	100,000,000	100,000,000	100,000,000		
Hospitals and medical care.....	48,897,000	53,306,000	32,897,000	60,088,000	-3,268,000	-2,859,000
Foreign quarantine activities.....	3,911,000	8,397,000	7,116,000	7,116,000	-1,281,000	-451,000
National Institutes of Health operating accounts:						
General research and services, National Institutes of Health.....	154,806,000	211,901,000	179,366,000	164,674,000	-47,227,000	-14,692,000
Biological standards.....	3,947,000	4,838,000	4,838,000	4,787,000	-51,000	-51,000
National Cancer Institute.....	145,368,000	154,990,000	145,706,000	145,114,000	-9,885,000	-692,000
National heart, lung, and blood.....	143,200,000	206,061,000	193,277,000	190,006,000	-15,965,000	-3,181,000
National heart.....	129,228,000	149,185,000	136,300,000	133,624,000	-15,661,000	-2,676,000
National heart institute.....	18,762,000	23,314,000	20,212,000	19,800,000	-3,505,000	-403,000
National institute of dental research.....	102,892,000	124,579,000	115,759,000	114,717,000	-9,862,000	-1,042,000
Arthritis and metabolic disease activities.....	64,586,000	79,569,000	69,765,000	69,226,000	-10,343,000	-539,000
Allergy and infectious disease activities.....	79,161,000	95,379,000	89,270,000	88,407,000	-6,972,000	-863,000
Neurology and blindness activities.....						
Total, National Institutes of Health operating accounts.....	\$12,040,000	(1,049,825,000)	(954,493,000)	(930,454,000)	(-119,371,000)	(-24,039,000)
Grants for construction of health research facilities.....	50,000,000	50,000,000	50,000,000	50,000,000		
Scientific activities overseas (special foreign currency program).....	2,800,000	6,647,000	6,647,000	6,647,000		
National health statistics.....	5,150,000	6,030,000	6,028,000	5,949,000	-81,000	-79,000
National library of medicine.....	3,335,000	4,313,000	4,312,000	4,074,000	-239,000	-238,000
Salaries and expenses, Office of the Surgeon General.....	5,663,000	7,381,000	6,680,000	6,091,000	-1,290,000	-589,000
Total, Public Health Service, definite appropriations.....	1,518,958,859	1,995,616,000	1,718,028,000	1,597,884,000	-397,732,000	-120,144,000
Retired pay of commissioned officers (indefinite).....	5,784,000	6,855,000	6,855,000	6,436,000	-419,000	-419,000
Total.....	1,524,742,859	2,002,471,000	1,724,883,000	1,604,320,000	-398,151,000	-120,563,000
Indian health activities.....	56,874,800	64,040,000	60,921,000	58,985,000	-5,055,000	-1,636,000
Construction of Indian health facilities.....	9,335,000	14,782,300	12,782,000	6,096,000	-8,686,300	-6,086,000
Emergency health activities.....	7,000,000	82,332,000	41,673,000	41,361,000	-40,971,000	-312,000
Appropriations:						
Definite.....	1,592,168,139	2,156,770,300	1,833,404,000	1,704,226,000	-452,444,300	-129,078,000
Indefinite.....	5,784,000	6,855,000	6,855,000	6,436,000	-419,000	-419,000
Total, Public Health Service.....	1,597,962,139	2,163,625,300	1,840,259,000	1,710,762,000	-452,863,300	-129,497,000
St. Elizabeths Hospital:						
Salaries and expenses.....	25,617,000	29,704,000	28,951,000	27,413,000	-2,351,000	-1,538,000
Buildings and facilities.....	8,095,000	2,739,500	2,605,000	627,000	-2,112,500	-2,038,000
Total, St. Elizabeths.....	33,712,000	32,533,500	31,616,000	28,040,000	-4,493,500	-3,576,000

See footnotes at end of table.

History of the 1964 budget—Continued

Agency and appropriation (a)	1963 appropriation ¹	1964 estimate to Department (b)	1964 Department estimate to Bureau of the Budget (c)	1964 President's budget (d)	Difference, col. (b) minus col. (d) (e)	Difference, col. (c) plus or minus col. (d) (f)
Social Security Administration:						
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund).....	(\$286,714,000) ± 5,000	(\$327,980,000) 95,000	(\$324,775,000) 95,000	(\$317,900,000) 95,000	(-\$10,080,000)	(-\$6,875,000)
International Social Security Association meeting.....						
Total, Social Security Administration.....	5,000	95,000	95,000	95,000		
Welfare Administration: ³						
Grants to States for public assistance.....	2,748,300,000	2,950,000,000	2,950,000,000	2,950,000,000		
Training of public welfare personnel.....		2,000,000	2,000,000	2,000,000		
Assistance for repatriated U.S. nationals.....	402,000	5,000,000	5,000,000	5,000,000	-563,000	-260,000
Salaries and expenses, Bureau of Family Services.....	4,102,000	5,963,000	5,660,000	5,400,000	-2,165,000	-2,000,000
Grants for maternal and child welfare.....	79,445,000	89,135,000	89,000,000	87,000,000	-589,000	-276,000
Salaries and expenses, Children's Bureau.....	2,983,000	3,990,000	3,677,000	3,401,000	-285,000	-153,000
Salaries and expenses, Office of Aging.....	497,000	830,000	698,000	545,000	4 + 3,200,000	4 + 5,850,000
Juvenile delinquency and youth offenses.....	5,810,000	10,000,000	7,350,000	13,200,000		
Assistance to refugees in the United States.....	70,110,000	70,000,000	70,000,000	70,000,000		
Total, Welfare Administration.....	2,911,649,000	3,132,448,000	3,128,885,000	3,132,046,000	-402,000	+3,161,000
Other (Welfare Administration or Social Security Administration):						
Cooperative research and demonstration projects in social security.....	1,100,000	2,100,000	2,000,000	2,000,000	-100,000	
Research and training (special foreign currency program).....		2,000,000	1,800,000	1,200,000	-800,000	-600,000
Salaries and expenses, Office of the Commissioner:						
General funds.....	732,000	1,114,000	1,063,000	1,025,000	-89,000	-38,000
Trust funds.....	(436,000)	(655,000)	(625,000)	(602,000)	(-53,000)	(-23,000)
Total, other (Welfare Administration or Social Security Administration).....	1,832,000	5,214,000	4,863,000	4,225,000	-989,000	-638,000
Special institutions:						
American Printing House for the Blind.....	739,000	808,000	808,000	775,000	-33,000	-33,000
Freedmen's Hospital.....	3,909,000	4,764,000	4,202,000	3,880,000	-884,000	-322,000
Gallaudet College:						
Salaries and expenses.....	1,480,000	1,760,000	1,760,000	1,697,000	-63,000	-63,000
Construction.....	1,065,000	3,491,000	3,147,000	2,919,000	-572,000	-228,000
Howard University:						
Salaries and expenses.....	7,935,000	9,134,000	8,934,000	8,819,000	-315,000	-115,000
Construction.....	5,617,000	6,379,000	6,379,000	6,245,000	-134,000	-134,000
Total, special institutions.....	20,745,000	26,336,000	25,230,000	24,335,000	-2,001,000	-895,000

Office of the Secretary:					
Office of the Secretary.....					
Transfer from OASI.....	2,391,000	3,358,000	2,915,000	2,915,000	-140,000
Office of Field Administration.....	3,376,000	4,335,000	4,497,000	(467,000)	(-126,000)
Transfers.....	3,244,000	4,335,000	4,497,000	3,324,000	-103,000
Surplus property utilization.....	(1,540,000)	(1,781,000)	(1,894,000)	(327,000)	(-357,000)
Office General Counsel.....	891,000	1,053,000	1,053,000	954,000	(-93,000)
Transfers.....	824,000	1,187,000	1,135,000	1,055,000	-81,000
Educational television facilities.....	(740,000)	(996,000)	(958,000)	(900,000)	(-58,000)
	2,000,000	11,000,000	11,000,000	7,000,000	-4,000,000
Total Office of the Secretary.....	9,355,000	20,933,000	20,244,000	15,757,000	-4,487,000
	(2,656,000)	(3,370,000)	(3,119,000)	(2,704,000)	(-415,000)
Total, Department of Health, Education and Welfare.....	5,369,250,114	6,338,670,717	5,961,447,605	5,811,570,455	-149,877,150
Less reimbursements (St. Elizabeths Hospital).....	19,354,000	-22,628,000	-21,736,000	-17,697,000	+4,039,000
Grand total, Department of Health, Education and Welfare appropriated funds.....	5,349,896,114	6,316,044,717	5,939,711,605	5,793,873,455	-145,838,150

¹ Includes 1963 proposed supplemental.

² Comparable appropriation.

³ Excludes cooperative research or demonstration projects and research and training (special foreign currency program) and salaries and expenses, Office of the Commissioner,

accounts involved in reorganization between the Welfare Administration and the Social Security Administration.

⁴ Increase is due to addition of full funding by the Bureau of the Budget.

PUBLIC HEALTH SERVICE ITEMS

VENEREAL DISEASE CONTROL

Mr. FOGARTY. What about venereal disease, Mr. Secretary? Do we have that under control?

Secretary CELEBREZZE. I think that we are making a concerted effort to control it. The Surgeon General just had a conference here not too long ago with the various health officials, and we are making a concerted effort.

There is a \$2 million increase in the budget to carry out the recommendations of the Surgeon General's special task force, which proposed a program which will, hopefully, bring about the virtual eradication of syphilis as a public problem in the United States in the next 10 years. The Department's reduction was technical in nature to provide the specific amounts proposed by the task force.

The Bureau of the Budget reduction reflects a decision to support the program, but at a slightly lower level.

Mr. FOGARTY. Is the incidence still going up?

Secretary CELEBREZZE. The incidence is still high.

Mr. FOGARTY. It has been going up the last 4 or 5 years.

Mr. COHEN. Worldwide, too. Not particularly localized with this Nation.

The World Health Organization reports the same trend in the last 5 or 10 years has occurred in practically every major country. They are very much concerned about the failure of what has been the appropriate method of dealing with this to really handle this problem.

Mr. FOGARTY. Are you satisfied with this modest increase of \$1,400,000?

Secretary CELEBREZZE. Yes. Here again, Mr. Chairman, I might say this is the question again of getting information to people to make sure that they accept medical care promptly when they find themselves in this condition. Many of them just wait and wait and wait until the thing gets pretty serious and then they go in.

Mr. FOGARTY. We did something about it during the war, and got it somewhat under control.

Secretary CELEBREZZE. Mr. Chairman, during the war, you had a little bit of control of men. You had them in the Army and you could bring them to the dispensary, which we do not have now.

Mr. FOGARTY. We established better treatments which proved to be very effective, and then we started cutting down on appropriations. And as soon as we started cutting down appropriations, the incidence started going up.

Mr. KELLY. But this plan that is before you, Mr. Chairman, is the plan of the Baumgartner committee and it is designed to accomplish eradication. We told you last year about that committee——

Mr. FOGARTY. Yes. I had that in mind. What was the cost?

Mr. KELLY. It was an additional \$4 million, \$3.5 million in operation and \$500,000 in special projects grants, and that is what is now incorporated in the budget over and above what the base was at the time they made their report.

Mr. FOGARTY. We increased this budget last year by \$2 million.

Mr. LAIRD. We are still spending more on brucellosis than we are on venereal disease.

Mr. FOGARTY. Is that so?

TUBERCULOSIS CONTROL

What about tuberculosis? You gave them quite a cut.

Secretary CELEBREZZE. Of course, Mr. Chairman, tuberculosis is on the decline in this country. There has been an increase in 1964 of \$45,000 primarily for what we call built-in costs. However, there is a shift of \$750,000 from State control grants to project grants to permit concentration of support in problem areas. The Department's reduction reflects a decision not to increase the total program level above 1963, with the primary reductions occurring in State grants, \$1 million, and project grants, \$1.2 million.

Overall, Mr. Chairman, we made good inroads into the tuberculosis area, both on the national and on the local level.

Mr. FOGARTY. The problem is a little different now, isn't it? Isn't the main problem now of casefinding?

Secretary CELEBREZZE. Yes. Here again, Mr. Chairman, we get to the original problem we discussed, about making people go in and take their X-rays to determine whether they have tuberculosis. Like everything else, that pertains to health, if you can determine the existence of disease at an early stage, your chances for recovery are much greater than when it is acute.

Mr. FOGARTY. Do you have in mind trying to get these people to take periodic examinations?

Secretary CELEBREZZE. I think that what you suggested, and what you gave moneys for these mobile units to go about the city, and park and get people in to get their chest X-rayed is a good idea.

COMMUNICATION OF HEALTH INFORMATION

Mr. FOGARTY. It gets us back to the problem of communication.

Secretary CELEBREZZE. Communication. Yes.

Mr. FOGARTY. I am surprised you don't have something in this budget for communication of health and medical information, more than what was said this morning about the National Library of Medicine. They tell me that from the time of a new development in medicine, the application is sometimes 2 or 3 or more years delayed, so far as the average doctor is concerned.

Secretary CELEBREZZE. As I stated earlier, one positive step that we have taken is that the Surgeon General has appointed Dr. Kelsey for this specific task of determining how best to get these communications out. That is in process now.

Mr. KELLY. I did not want to infer that there was any satisfaction with the libraries. I pointed out there was this one step. There was this conference held with representatives of experts in the field, from all over the country, to try to evolve a program of what you should do. There is nothing in the nature of a program in this budget. There is the support of the studies, to try to evolve a program. This is because there has not as yet been developed a satisfactory program for meeting the problem that you bring up.

Mr. FOGARTY. And one man has been appointed, or a committee?

Secretary CELEBREZZE. This committee was appointed to study it and Dr. Kelsey has also been appointed to study various facets, together with this committee. We have to make a recommendation once we have the positive program defined to us.

TELEVISION

Mr. FOGARTY. Why not have worldwide television dissemination?
Secretary CELEBREZZE. Worldwide television dissemination?

Mr. FOGARTY. Yes.

Secretary CELEBREZZE. Of course, television is one media of communication.

Mr. FOGARTY. I think it has been suggested by General Sarnoff. It would also advance international relations, would it not?

Secretary CELEBREZZE. I do think perhaps, that in this particular area, Mr. Chairman, there should be some concern and study of the problems by the State Department in order that a greater line of communication between nations can be developed as they find the discoveries for the cures for diseases and they develop new drugs. There is too great a lapse, in my opinion, from the time we get knowledge and the time the whole world gets it. So there is an area there in which there has to be study and perhaps, eventually—I don't know when—establishing a worldwide clearinghouse on this problem as we have now established in the Library of Medicine at NIH. There might be a place where you can go and do research work at an international level and establish a clearinghouse and all the people in the United States will benefit from it, and people of other countries will benefit by it.

Mr. FOGARTY. Just a clearinghouse itself doesn't seem to me to be the answer. This material has to be gathered and almost forced on some people.

Secretary CELEBREZZE. Only to this extent, Mr. Chairman; that in the determination or the findings of a cure for disease, one must remember that the individual that is at the end of the line generally gets all the credit, but before that there have been many hundreds of individuals who have played an important part.

Now the problem is hundreds of individuals are studying along the same lines. If this information could be grouped, like a jigsaw puzzle, and put together, you might come up with an answer sooner.

Mr. FOGARTY. I just read this magazine article this noon. Mr. Sarnoff has had quite a reputation in this country, especially in the field of electronics, and he thinks something can be done.

He says:

Worldwide medical television would permit a heart specialist in London to examine a patient, display on the television screen x-rays and cardiograms and discuss his diagnosis with a doctor in New York.

Secretary CELEBREZZE. There is no doubt about its beneficial use, but we haven't even achieved in this country full utilization of television for educational purposes, which we are now trying to promote.

AUTOMATIC DATA PROCESSING

Mr. FOGARTY. He also foresaw the time when great central computers storing medical data in their electronic memories, would serve as an instantaneous source of information for any doctor so that he may know the latest developments in his specialty.

Simple computers could also store away the medical records of every person who had ever been under a doctor's care. By dialing a certain code number, he said, a doctor in Seattle could obtain the

complete medical history of a patient who might have received his previous treatment in Miami, Utica, and New York.

The electron considered the patient as well as the medical profession, Mr. Sarnoff pointed out, so it would be almost like a social security card. You put the card in a machine, and in a couple of minutes, out comes your medical history.

Is that too farfetched, do you think?

This man has been leading the way in some of these areas, and he is quite respected in his field, isn't he?

Secretary CELEBREZZE. Mr. Chairman, let me say this. That no intelligent person would say that—in the rapid pace in which we are moving ahead in the scientific field, in the area of technology—that is certainly not impossible.

EDUCATIONAL TELEVISION

Mr. FOGARTY. You mentioned educational TV. This would just be specialized educational TV on a big scale.

What do you think of educational TV?

Secretary CELEBREZZE. We tried to get educational TV. Just before I left, Cleveland got about three different groups together into one group. I think now it will get going, but I do think greater use can be made of educational TV. With the shortage of the really highly qualified technical people, it is possible to get one outstanding individual in the field of science, in the field of language, or in the field of medicine to lecture on TV. This would be physically impossible for any one school or any university to hire such a person. But put them on TV, and bring them into the classrooms, and perhaps 30,000 or 100,000 children or students would be getting the advantage of the top man in that field lecturing to them, which is physically impossible without using TV.

That is the advantage of educational television.

Mr. FOGARTY. I think it is a good thing. I think General Sarnoff's idea is worth considering seriously.

Secretary CELEBREZZE. Well, as I said, any reasonable man would say that there is nothing which is impossible, at the rapid rate that we are moving in the scientific field. I don't know what the cost factor involved is. You always have to put into consideration cost factors in any program in which you are interested.

Mr. FOGARTY. In health?

Secretary CELEBREZZE. Any program; you have to go through the cost factors. They become important because you can only spend so many dollars that are available. By that I don't mean to put a price on misery and suffering, but you have to be realistic about it.

Mr. FOGARTY. Well, we don't even have a start with this one.

Secretary CELEBREZZE. You have to be realistic about this.

Mr. FOGARTY. Practically nothing has been done about it, although we talked about it for 4 or 5 years.

CHRONIC DISEASES AND HEALTH OF THE AGED

In Chronic Diseases and Health of the Aged, you really made quite a cut. They requested \$75 million, and you cut them down to \$59 million. Then the Budget Bureau gave them another cut of over \$3 million.

Mr. CELEBREZZE. Well, we decreased the budget almost \$5 million. That includes \$750,000 for formula and project grants in cancer control, \$1,030,000 for project grants in the neurology and sensory diseases, primarily for demonstrations and studies related to mental retardation, and \$1 million for additional project grants to support demonstrations and studies related to providing out-of-hospital services to the chronically ill and aging. An increase of \$2.2 million will permit expansion of extramural research, and direct operations in the control of cancer, heart disease, diabetes, arthritis, and neurological and sensory diseases.

The Department's reduction simply reflected a more gradual expansion of operating programs.

The Bureau of the Budget reduction was largely of the chronic disease control grants, on the basis that by allowing the same level as for 1963 and providing for a 1 for 1 matching as opposed to the 2 for 1 Federal-to-State matching last year, there would be a program increase. Other decreases were for heart disease control grants (\$500,000) and for direct operations (\$709,000) reflecting a decision to support the program but at a more gradual rate of increase.

Now, again, Mr. Chairman, when we get into this area we have to take the total picture of what we are doing in this particular area of chronic diseases and health for the aged.

In addition to what we have appropriated here, we have under other programs, spent millions of dollars for care, health care for the aged, and hospital services, and so forth, so when you look at the total program that we are offering, it is rather a realistic program.

Mr. FOGARTY. Well, this was only set out as an individual appropriation 2 or 3 years ago. I thought, at that time, that it was really going to go, but you and the Bureau of the Budget are holding it down pretty well.

HEART DISEASE

And this year, for the first time, you have in this appropriation, control grants to States in the field of heart disease. Is that right?

Mr. KELLY. For heart, yes. These are the grants that used to be appropriated to the National Heart Institute.

Mr. FOGARTY. And there was a cut in that item.

Mr. KELLY. It is not a decrease below the level at which they were supported at the National Heart Institute. It is a decrease in the request that they made.

Mr. FOGARTY. Is it still true that heart disease kills more people than all the other diseases known to mankind?

Mr. KELLY. Yes; but for persons over the age of 55, the rate has gone down.

Mr. FOGARTY. But it is still a fact that heart disease is the cause of over 50 percent of all deaths?

Secretary CELEBREZZE. Yes.

I don't think there is any doubt that it is the No. 1 killer in the country; yet there has been much progress made in the area of heart disease.

Mr. FOGARTY. But more and more people get coronary trouble or hardening of the arteries and strokes.

Secretary CELEBREZZE. I think basically, Mr. Chairman, that what we are doing through research is trying to find out what causes it and trying to prevent hardening of the arteries and things of that kind through research work.

Now, there are many, many things which may cause a failure of the heart. There is no one single thing, and as we conduct this research into eliminating it we find examples such as the work that was done by Dr. Beck in Cleveland on the floating heart. A person is actually dead and if you catch him within a certain period of time, you can restore him to life. There is a small floating thing in the heart, which shuts off a certain valve. This process that they have developed, and the process that was developed in open heart surgery, for example, has saved many people.

There is another mechanism which they can put within to cause your heart to beat. It's a charged battery of some kind. It was the NASA who developed a metal that won't corrode with which they can make these.

Mr. FOGARTY. That is an additional reason why I think Mr. Saranoff has something here that you people should be doing something about.

Secretary CELEBREZZE. I might also say, Mr. Chairman, a great deal of money is spent from private sources in the study of heart diseases.

Mr. COHEN. In connection with all these factors we are talking about, when you look at these charts on death rates, you see the extent to which the seasonal factor is present.

You see how many of these death rates, how quickly they go up in the winter months, and this is infant births, this chart. This is incidence of acute conditions, involving one or more days in bed. It is obvious, that a program that would give people information and education about what the particular problems are in the wintertime, would be a very important factor alone.

COMMUNICABLE DISEASES

Mr. FOGARTY. "Communicable disease activities" is the next one on this table. You really cut them down quite a bit. \$20 million. Are they running out of projects,

Secretary CELEBREZZE. Mr. Chairman, you keep referring to cutback. We keep referring to increases.

We increased them by 788 positions and \$5,498,000 over 1963.

The 1964 increase of \$5.5 million provides \$5 million for planning and initiating a program to eradicate the *Aedes aegypti* mosquito—the yellow fever mosquito. Now, the way we get involved in this is the countries south of us contend that nesting or the generation of the mosquito is started on American soil and then goes down to these other countries hitting them with severe cases of yellow fever.

The President of the United States authorized the Surgeon General of the United States to go to a conference on this matter, and assure these countries that the United States would do something about eradicating the places where these mosquitos are multiplying or where they are reproducing themselves.

Mr. FOGARTY. Where are these places?

Secretary CELEBREZZE. We have them here.

Mr. KELLY. It is primarily the Southern States, it comes up into North Carolina. The problem is that we can export them by planes; we can export them by ships, and you only have to have one or two mosquitos get back into one of the countries, such as Mexico or Central America or South America, and you reinfest them, and all of their efforts are for naught.

Mr. FOGARTY. Yes.

Secretary CELEBREZZE. This is a situation that has been going on now for 10 years.

Mr. KELLY. The original World Health Pact, I think, was made in 1947.

Mr. FOGARTY. How much is this going to cost?

Secretary CELEBREZZE. The total program?

Mr. KELLY. \$5 million in this budget, but we anticipate about \$45 million. That is we hope to work out a total program for the eradication. This is dependent upon our being successful in working out with the military, the use of their vehicles, and their participation in the program.

Secretary CELEBREZZE. I may say that the original figure was \$90 million but through the cooperation of the Defense Department, using some of their manpower, some of their vehicles, some of their supplies, we figured we could cut the cost down to about \$45 million.

Mr. FOGARTY. How does that compare with the cost of eliminating the foot-and-mouth disease in Mexico?

Secretary CELEBREZZE. I don't know, Mr. Chairman.

FUNDS SPENT ON FOOT-AND-MOUTH DISEASE

Mr. FOGARTY. Don't we have a problem now of foot-and-mouth disease in Argentina? I read something in the paper recently about some agreement that has been reached to try to stamp out foot-and-mouth disease in cattle in Argentina.

Mr. KELLY. It is a world problem.

Mr. FOGARTY. You don't have any information on that program?

Secretary CELEBREZZE. We will be glad to find out. I imagine the Surgeon General's Office would know.

Do you want us to find it and make it a part of the record?

Mr. FOGARTY. Yes, please.

(The information referred to follows:)

On December 14, 1961, the White House announced the appointment of a scientific mission to Argentina under the leadership of Dr. J. George Harrar, president, Rockefeller Foundation, to assess the current situation on foot-and-mouth disease and determine whether the application of science and technology could free certain forms of processed meat from viable virus and thus make it acceptable for import into the United States. U.S. law prohibits the importation of domestic ruminants and fresh meat from any country where foot and mouth or rinder exist.

The following Department of Agriculture press release of January 17, 1963, describes the most recent developments pertaining to this matter.

DEPARTMENT OF AGRICULTURE,
Washington, January 17, 1963.

USDA ANNOUNCES ALTERNATIVE PROCEDURES FOR COOKED BEEF IMPORTED FROM ARGENTINA

The U.S. Department of Agriculture announced today that thoroughly cooked bulk beef imported from certain meat-processing establishments in Argentina will not require recooking in the United States. Bulk beef from other Argentine

establishments will continue to be recooked under supervision of USDA inspectors.

This decision, in effect, provides an alternative and safe method for the importation of beef from Argentina, where foot-and-mouth disease occurs, to the United States, which is free of this destructive livestock disease.

In announcing this alternative procedure, officials of USDA's Agricultural Research Service stressed that no change is being made in the basic requirement that meat from Argentina must be thoroughly cooked before entry into this country. Imported cooked meat in bulk, used primarily in soups, stews, and other processed products, has been required to be recooked under supervision in the United States to preclude the possible entry of foot-and-mouth disease.

In recent months, regulatory scientists of USDA have worked with inspection officials of Argentina on facilities and methods used in handling cooked beef. These scientists now recommend that cooked beef in bulk be accepted from establishments that have adopted facilities and methods that eliminate the need for recooking in the United States. Today's announcement puts their recommendation in effect.

As in the case of other imported meats, this product will continue to be examined by skilled inspectors upon arrival in the United States. This inspection, supplemented by laboratory examinations, as necessary, is to make sure that each lot of meat is thoroughly cooked and otherwise complies with Department regulations.

Department officials stressed the importance of the technical discussions with the Argentine Department of Agriculture in working out new processing facilities and methods. Similar discussions are underway in several other South American countries where foot-and-mouth disease occurs.

DENTAL SERVICES AND RESOURCES

Mr. FOGARTY. Going on to "Dental services and resources," they asked you for \$12.8 million; you cut them back to \$8.6 million, and then they got another reduction of \$2 million from the Bureau of the Budget.

Secretary CELEBREZZE. This again, Mr. Chairman, represents an increase of 11 positions. The increase of \$796,000 provides for expansion of grants for training undergraduate dental students in the use of dental assistants and for direct operations to conduct studies and demonstrations in the development and application of methods for preventing and controlling dental diseases, including expansion of activities at the Dental Health Center at San Francisco.

The Department's reduction was entirely in direct operations and was designed to provide a more gradual rate of expansion in this program.

The Bureau of the Budget reduction was directed primarily to training grants (\$2,139,000) and to direct operations (\$282,000) to provide a less rapid rate of expansion.

Six of the twenty-five positions reduced relate to the 3-percent reduction.

Mr. FOGARTY. This committee has been quite concerned about the shortage of dental personnel and we thought this group was making some real progress in the last couple of years.

Secretary CELEBREZZE. Here again, Mr. Chairman, you have to take the total program that we are proposing because, again referring back to the education bill, we are showing expansion in both training and technical institutes, which can turn out what we refer to as dental technicians. Of course, under the health profession bill, we will call for almost a 100-percent increase in the output of dentists under that particular bill.

What is that House bill? 12?

Mr. KELLY. H.R. 12.

Secretary CELEBREZZE. H.R. 12. So, when you take this thing, and tie it together, assuming we did not get these other programs—

Mr. FOGARTY. If we did not have an agency, with the kind of leadership they have now, the dental health situation would be much worse than it is.

Secretary CELEBREZZE. Yes; I agree with you.

But here, again, we are trying to look at the total magnitude of the problem, and trying to hit it from three separate angles.

HOSPITAL CONSTRUCTION

Mr. FOGARTY. You gave the hospital construction program almost what they asked for. You only cut them a couple of million dollars.

Secretary CELEBREZZE. It provides for a major increase of \$3.1 million in the hospital medical facility research program. The net reduction in 1963 results from a decrease in construction grants for general hospital beds, of \$50 million, reflecting a shift in emphasis to other kinds of facilities.

We are still asking for \$100 million in 1964 for general hospital beds, as well as \$70 million for the other kinds of facilities.

The \$70 million would be further increased to \$100 million if our proposed legislation is enacted.

The Department's reduction was chiefly in the medical facility research to provide for a somewhat less abrupt rate of expansion; and the Bureau of the Budget reduction is for part C, "Construction grants," \$50 million, and also for medical facility research programs.

As I stated earlier, Mr. Chairman, we thought the emphasis should be put, not only in the rural areas but in the urban areas, and because of that, we reduced the original \$150 million grant under the Hill-Burton Act to \$100 million and put in the new legislation: \$50 million for the purpose of rehabilitation, and I believe another addition for nursing homes.

Mr. FOGARTY. This \$50 million cut, I understand, was the Bureau of the Budget.

Secretary CELEBREZZE. Mr. Chairman, since the program—Hill-Burton—went into effect, we have had 6,470 projects, which produced an increase in beds of 247,049; produced health units of 1,812 for a total program cost, since the program has been in effect, of \$5,746,426,000, of which the Federal share was \$1,828,399,000.

HOSPITAL CONSTRUCTION UNDER ACCELERATED PUBLIC WORKS

Now, the Chair must also bear in mind that in addition to what we have here for the Hill-Burton program we will also have some hospital construction projects under the accelerated public works program. We have gone into furnishing half of the cost of hospital construction for the particular communities who have accelerated their programs. So that, in addition to this sum of money that we are talking about, we are also talking about other sums of money which we are spending today under the accelerated public works program.

This money, of course, is not strictly on a matching basis. What we have said to a community is this: If you are going to spend a million dollars for a hospital, we will come in and pay for half of the hospital cost, if you move it up, but you still have to spend the other half a million dollars on something else.

Mr. FOGARTY. You are running out of money, aren't you?

Secretary CELEBREZZE. Yes. We have a supplemental bill in, though.

Mr. FOGARTY. Many of these projects can't be funded, they tell me, because they have run out of money.

Secretary CELEBREZZE. Yes; but we are in for a supplemental.

Mr. FOGARTY. How much?

Mr. KELLY. The total appropriation was \$400 million, out of the \$900 million authorization. Of that \$400 million, about \$91 million was allocated to HEW and the President has asked for \$500 million additional, and the estimate is—

Mr. FOGARTY. 1963?

Mr. KELLY. In 1963, the estimate is that \$112 million of that would be allocated to HEW which would bring us up to a total of \$203 million out of the \$900 million authorization.

Mr. FOGARTY. What is the shortage of beds today?

Mr. KELLY. We will have to supply that.

Mr. FOGARTY. It is still about a million, isn't it?

Mr. KELLY. We will have to supply that.

(The information referred to follows:)

The bed need tabulation as of January 1, 1963, shows that there is a total bed shortage of 1,116,971 hospital beds of which 132,936 are in the general hospital bed category. This shortage has been consistent over the last 4 years.

Mr. KELLY. If my recollection serves me correctly, about 80 percent of the total needs on the basis of the formula in the Hill-Burton Act have been satisfied. The backlog, of course, is huge, when you get into nursing homes and the need of mental patients, but in the mental health program a new approach is suggested in the President's message and in the proposed legislation.

Mr. DENTON. Did you say the accelerated public works program was for hospitals?

Mr. KELLY. No. For hospitals, waste treatment, construction grants, and Indian health construction. Ninety-one million dollars has been allocated for accelerated public works.

ENVIRONMENTAL HEALTH

Mr. FOGARTY. For environmental health, they asked for \$10 million and you cut them right in half.

Mr. CELEBREZZE. There again, Mr. Chairman, that is probably because we do not have the facilities available, in some of these areas, and, until we are geared with the facilities, there is no sense in increasing it further than we have. We increased it by 13 positions.

Mr. KELLY. These would be housed in the environmental health center.

Secretary CELEBREZZE. Here, Mr. Chairman, we planned to build an Environmental Health Center, but we still have not received the authority to do so. Until the Environmental Health Center becomes a reality, I think we can only move to the extent that we have recom-

mended in our budget, which calls for an increase of 13 positions and an increase of \$2,010,000.

Mr. KELLY. This is a new item, Mr. Chairman, and it is an attempt to give to the environmental health organization a basic scientific group, that recognizes—cuts across all of the lines of air, water, radiation, occupational health, food sanitation; so that we are really, I suppose, trying to learn to crawl before we walk or run. It is, I think, an important step forward, to give them both research grant authority and a small research staff, to try and get this part of the total environmental health program launched.

It is comparable, in some respects, to the General Health and Medical Sciences of the National Institutes of Health.

AIR POLLUTION

Mr. FOGARTY. Air pollution—you cut that back from \$25 million to 14. I don't know how many deaths, I saw in the paper the other day, were caused by the recent smog in London, but it was a large number.

Secretary CELEBREZZE. Here again, Mr. Chairman, we increased the 1963 appropriation by 10 positions, amounting to \$1,936,000. It includes \$1 million for research on the causes and remedies of air pollution; \$550,000, to more than double the current training program; \$380,000 for expanded direct research, primarily on the modification of engine design and on the movement of air pollution among the urbanized metropolitan regions. The Department's reduction consists of \$2 million for research grants; \$500,000 for training grants; \$2.4 million for survey and demonstration grants; and \$5.8 million in direct operations, which reflects, partially, a desire to direct this program along the lines contained in the President's legislative recommendation for air pollution. The Bureau of the Budget reduction was primarily in direct operations (\$1.1 million) and training grants (\$500,000) and provided a somewhat less rapid rate of growth in these areas. Mr. Chairman, you get in an area here of air pollution, which crosses many lines.

I mean, you have air pollution from dust; you have air pollution from exhaust fumes; you have air pollution from industry; you have air pollution, perhaps, from radiation; and until we come up with certain basic answers to the solution of these problems, I think this is about as fast as we can move on it.

Now, we do have a good program going in cooperation with the automobile industry, which I am sure you are familiar with. We are trying to come up in the Public Health Service with a device to reduce the carbon monoxide from fumes; and also, they have come up with—which is now being installed, I understand—with some instrument or gadget of some kind, to be put in the crankcase to reduce the crankcase oil fumes that come out. So that there has been some progress made in the general area. We have a long way to go.

Mr. FOGARTY. It probably never will be solved until you get a new type of engine design.

There was a meeting on air pollution in Washington recently.

Mr. CELEBREZZE. Yes, sir.

Mr. FOGARTY. One of the speakers proposed that all those dumping into the air pay a dumping fee on a tonnage basis, for all material, particulate or gaseous.

Mr. CELEBREZZE. I had the privilege, too, of addressing the group that was here. We have our legislation which did not pass last year, coming up with some better controls on air pollution. We are hopeful we can get it through this time.

However, air pollution like everything else, requires a great deal of coordination, not only on the Federal level, but on State levels and local levels. Much can be accomplished through cooperative work.

CLEVELAND PROGRAM

For example, industrial pollution. The city of Cleveland has been successful in that area. The city of Pittsburgh gained some degree of success in the steel mill operations; so that there is much that can be done on enforcement provisions, of adopting some kind of stringent air pollution code on the local level.

On the other hand, when you do come to the problem, as we all do, in a large city, of fumes and dusts, and fumes from automobiles, it is pretty difficult to regulate, unless you come up with some pretty good scientific answers.

Mr. FOGARTY. Well, suppose Cleveland was right on the borderline of a couple of other States, with two or three larger cities, which had no control at all?

Mr. CELEBREZZE. Yes. Well, we have that problem in Cleveland now, in that your legislation can only be enforced within the boundaries of the city of Cleveland. We tried to get legislation through the State legislature one time, giving us the jurisdiction within 3 miles of our boundary, because we do have additional plants outside of Cleveland which emit a great deal of smoke, and we have no control over it. They are in smaller communities, and of course, the smaller communities will tolerate it to a greater degree. And that is why I was strongly for Federal participation, of having the Federal Government getting into this, in that it transcends State lines and it transcends community lines, and you need a higher enforcing authority.

WATER POLLUTION

Much of the water pollution which we were receiving in my community because of the prevailing tide of the waters coming down may have started 70 miles away from Cleveland.

Mr. FOGARTY. We have had that problem for years.

Mr. CELEBREZZE. So that you need a much larger authority of enforcement. And that is why there was created in the State, a State water pollution board, to give them jurisdiction over these matters. The problem, particularly in water pollution, is a rather difficult one, for any particular community to solve, by itself.

Again, if I can refer to this—we were fortunate enough in my community that the city of Cleveland had control of the water supply. We furnished water not only for Cuyahoga County; we went into Summit and Geauga Counties. We controlled the water system.

Areas were being built up in the suburbs in which there were no sewers. We were furnishing water. Finally, in 1954, I issued an executive order, that there would be no water furnished into these areas unless they put in sewer facilities. They were putting in septic tanks, as you know, which causes a great deal of pollution.

Well, there was a great deal of hue and cry that I was killing the building industry, but it did not affect them. They put in their water pollution system, basically because the Federal Government at that time, which we urged through our association, came out with a program of assistance to communities—I think it was less than 50,000 population—who could get about a third of the money that they would need to build their sewage treatment plan.

Mr. DENTON. I have that same problem in my district.

Secretary CELEBREZZE. Yes. So that then you have the additional problem in your large communities, in which they put in a single sewer system, that is both sanitary sewer and storm sewer, and of course, when you get these heavy rains, the sanitary sewer flows over and the tremendous cost of ripping it out, or putting in another system, you just cannot do it all at once. You try to do it piecemeal as you move along but it takes you years, unless you get into a crash program.

Mr. LESINSKI. In the Detroit area, the builders put an additional cost of paying for the sewer and water into the cost of the home. Then the new home purchasers have these facilities already.

Secretary CELEBREZZE. Of course, in all areas, you have what we call a sewer tax. We attach it right to our water.

FOREIGN QUARANTINE SERVICE

Mr. FOGARTY. The Foreign Quarantine Service was cut about \$800,000. What was that cut for?

Secretary CELEBREZZE. Well, in the Foreign Quarantine appropriation, we show an increase of 26 positions, amounting to \$1,205,000. The 1964 increase of \$1,200,000 provided for a number of increases of a built-in nature, some improvement in the domestic program, an amount of \$660,000 for rental space at international airports authorized by Public Law 87-255, and staff to establish two new facilities, and to augment the existing staff of nine other examining units, conducting medical examinations of visa applicants. The Department allowance provided for improvements in the foreign quarantine activities program, including increased coverage at the Mexican border and included improvement of the program of medical examination for visa applicants, the cost of which are covered by fees collected by the State Department. The reduction by the Department comprised numerous items, including \$259,000 for Mexican border coverage, \$171,000 TB protection programs, \$154,000 for medical inspection of visa applicants and other items, in amounts less than \$100,000 each.

The Bureau of the Budget eliminated the provision for increased coverage at the Mexican border, proposed increases for research and development, disease intelligence, and additions to headquarters support personnel.

There is a rule at an international airport, the Federal Government will pay for the construction of these but if you are not an international airport they expect the local community to furnish these facilities and, of course, that's been a sort of point of irritation with the local communities who have large airports. I do think as this mode of travel becomes accelerated, more prominent, that you are going to have to have more ports of entry in this country and as a result you are going to need additional facilities. But I believe that the increase of \$1,205,000 is sufficient for the year 1964.

Mr. FOGARTY. They did not think so when they made this request.
 Secretary CELEBREZZE. Mr. Chairman, I have never seen, in all the years that I have worked with budgets, a department head who did not feel that he could use more when he put it in.

Mr. FOGARTY. This one has always been on the low side.

Secretary CELEBREZZE. No. This is a well-balanced budget.

Mr. FOGARTY. They have been on the low side every time. They never seem to have the courage to ask for the people that they need.

Secretary CELEBREZZE. Mr. Chairman——

Mr. FOGARTY. International travel is going up and up and up. Some of the people in New York that I have talked to have not been satisfied with the amount of help they have had.

I think the Foreign Quarantine Service should be built up. I do not like to take chances when it involves the health of the people.

Secretary CELEBREZZE. I think we agree with you and that was why we have increased the budget by \$1,205,000, Mr. Chairman.

Mr. FOGARTY. That is a very modest increase. The budget is over a million dollars less than what they asked for.

NURSING SERVICES AND RESOURCES

For nursing services and resources they asked for \$22 million and you cut them down to \$11 million.

Secretary CELEBREZZE. The budget calls for seven additional positions and it amounted to a \$366,000 increase. The 1964 increase of \$366,000 provides an expansion of extramural research on nursing of about \$227,000; and intramural programs of \$139,000, largely in the area of improving nursing practices.

The Department's reduction reflects decision not to forward finance training grants in fiscal 1964 of \$10.6 million and to provide for a more modest rate of growth in direct operating programs than that requested by the Public Health Service.

The Bureau of the Budget reduction is in the areas of manpower resources and improvement of nursing practices and further restricts the rate of expansion. Seven of the positions are related to the 3-percent reduction.

Mr. FOGARTY. How many positions did you cut them?

Secretary CELEBREZZE. We cut them—they asked for 60 positions. We allowed them seven. The number not allowed by the Bureau of the Budget was 15.

NATIONAL INSTITUTES OF HEALTH

Mr. FOGARTY. You and the Bureau of the Budget cut the National Institutes of Health back to \$930 million. That's about \$119 million less than they ask for.

Secretary CELEBREZZE. We thought we were extremely generous with them, Mr. Chairman, and we allocated them \$113,817,000 more than they had in 1963. We increased their positions by 469. We reduced their request by \$127 million.

Mr. FOGARTY. That means you cut the increase they asked for just about in half; is that right?

Secretary CELEBREZZE. Here again we must take into consideration that they had, I think, \$25 million which they did not use—and when we increase it another \$113,817,000, that is quite a jump.

Mr. FOGARTY. Twenty-five million is not a firm figure yet, is it?

Mr. KELLY. We do not have any reason to think it is inaccurate.

Mr. FOGARTY. As I figure it out, it is more than a 10-percent cut.

Mr. KELLY. It is over 10 percent.

Secretary CELEBREZZE. About a 13-percent increase over the last year.

Mr. FOGARTY. But over 10-percent cut from what they did ask for.

Mr. KELLY. It is the largest increase a President has ever asked the Congress for, for medical research.

CANCER RESEARCH

Mr. FOGARTY. I say good for him, but he did not go far enough. What about cancer? They asked for \$155 million and you cut them back just about \$10 million.

Secretary CELEBREZZE. I think I can give you the same answer as the others. This was sufficient, taking into consideration that there is a great deal of private money going into cancer research as well as public.

Mr. FOGARTY. Cancer is the second killer, is it not? Does it not follow heart disease? Is there something worse than dying of cancer?

Secretary CELEBREZZE. I cannot think of anything—the pain and suffering involved. It is a great tragedy. But I do think that good progress has been made in that area and there is much to be done, but here again, we get back to the basic question that we were discussing earlier—the question of early detection. Now we know that great progress has been made in curing cancer if they can catch it in its early stages. There again, it is a question of communication.

MENTAL HEALTH ACTIVITIES

Mr. FOGARTY. Mental health activities. That was not cut back so much percentagewise as cancer.

Mr. KELLY. May I say, Mr. Chairman, with respect to the National Institutes of Health, that the Secretary arrived at a budget for the National Institutes of Health in total. We developed certain policies with respect to the concept of supporting continuation grants, covering additional expense of indirect cost and allowing for enough money for the same number of new projects. Then we allowed for selective increases in connection with mental health and mental retardation. Within these policies the Surgeon General directed the National Institutes of Health to develop the budgets by Institute. So that the material that we have is more susceptible to speaking of the Institutes in total that it is to the individual Institute.

Mr. FOGARTY. Mental health and mental retardation budgets are somewhat tied in with the President's message.

Mr. KELLY. Yes, in connection with the total program outlined in the message.

NATIONAL LIBRARY OF MEDICINE

MR. FOGARTY. I see you cut the Library of Medicine \$1,000. They asked for \$4,313,000 and you allowed them \$4,312,000.

Secretary CELEBREZZE. That is an increase there of \$739,000—an increase of 25 positions. As to why they cut them \$1,000, I am going to refer that to Mr. Kelly.

MR. KELLY. This is a quarters allowance—a technical item. It points up very clearly, Mr. Chairman, that we review these item by item.

MR. FOGARTY. That is a good answer, I guess. I noticed the \$1,000 and thought it a little unusual.

SURGEON GENERAL

That is quite a cut you gave the Surgeon General for salaries and expenses. He asked for \$7,381,000 and you allowed him \$6,680,000 and then the Budget cut another \$600,000. That is a pretty sizable cut.

Secretary CELEBREZZE. Again, we show an increase of \$428,000 for improvement of science and correlation of communications as well as to strengthen staff services in the Office of the Surgeon General, principally in the areas of personnel and financial management.

Although the budget reflects no increase in positions, a shift in position strength involving a transfer of 27 positions to the operating bureaus in support of personnel and property management functions has been reflected. This position reduction has been offset by an increase of 27 positions for central management and staff activities.

The Department's reduction provided for a lesser increase in staff than had been requested, primarily in the areas of international health and personnel management.

SALARY STRUCTURE PROBLEM AT NIH

Now, I may add, Mr. Chairman, in regard to salaries in the Public Health Service, that is now being pretty well argued out. I sent a recommendation to Mr. McCormack with regard to the Randall report that came out and we contend that you can't base the salaries of the officers in the Public Health group on the same basis that you base salaries of the officers in the military. We appealed on this basis.

MR. FOGARTY. I hope you are successful. I think this is one of the biggest problems in the Public Health Service. We have lost some of the topnotch men during the last several years.

Secretary CELEBREZZE. This is one of the major problems, holding on to our top men and developing young men. I think there, Dr. Shannon, out at NIH, will probably tell you that he has lost a good number of top men because of the salary structure.

MR. FOGARTY. Yes, I know. We have been working on this for 2 or 3 years.

MR. KELLY. As I understand the problem, Mr. Chairman, in order to bring about a solution to the scientific problem above \$20,000, it was considered necessary to arrive at the decision on what the top executive pay and what the legislative pay should be. Then you

would have to fit it into the pattern that evolves from that adjustment in the top career jobs and especially the professional and scientific jobs.

Mr. MILES. The Randall committee has not made its final report to the President yet.

Mr. FOGARTY. What is delaying them?

Mr. MILES. Actually, there was a delay, for some reason, in getting the request made to them to make their analysis and recommendation and they have had one meeting and I think they will have or expect to have another meeting shortly and make a recommendation to the President.

ST. ELIZABETHS HOSPITAL

Mr. FOGARTY. St. Elizabeths asked for \$29,794,000, and you cut them to \$28,951,000.

Secretary CELEBREZZE. There has been a change in the administration over there. Dr. Overholser is no longer in charge. It is a new administration.

Mr. FOGARTY. We increased that, over the budget, last year.

Secretary CELEBREZZE. Yes.

Mr. FOGARTY. They sure need it. Have you been over there?

Secretary CELEBREZZE. I haven't, Mr. Chairman. I suggested I would like to go through the institution. I have been through some of our State institutions.

Mr. FOGARTY. Did Dr. Cameron take over Dr. Overholser's place?

Secretary CELEBREZZE. Yes, he also sits in with us at our staff meetings. I am informed on what is going on over there. One of the basic difficulties which we face are the many people at St. Elizabeths Hospital who could be taken care of in a nursing home, foster care home, or some kind of institution for the aged. The District of Columbia restricts its payments to \$140 a month for a nursing home. This is inadequate, so we have been discussing arrangements to possibly supplement part of that cost so as to reduce the number of people over at St. Elizabeths Hospital.

I think that St. Elizabeths Hospital should be developed into one of the model hospitals of the country in the treatment of mental disorders. But right now there is a very crowded condition at the hospital and it is our hope that we can work out some sort of arrangement with the District to take some of the patients out of the hospital. That is still in the process of being worked out, as I understand it.

Mr. KELLY. We do have a new financing proposal for St. Elizabeths Hospital before the committee in the budget this year. Mr. Chairman, this is designed to have the decision making with respect to St. Elizabeths Hospital incorporated into the appropriations act for the Department of Health, Education, and Welfare. As you know, in previous years you have acted on it as it related to the patients that were considered to be Federal beneficiaries and the District appropriations committee have acted on it as it related to the District of Columbia patients. This has caused difficulty and caused confusion. We are bringing before you a proposal now where the requirement for the management of St. Elizabeths Hospital will be incorporated in our budget. The amount of money which the District pays for the care of its patients is not related to the decisions on

this budget, but is related to the medium of the upper 10 percent of what States pay for the operation of mental hospitals. The receipts for the care of patients would be deposited into the St. Elizabeths account, and reduce the total appropriations from the Treasury by that amount.

Mr. FOGARTY. The District will gain by the proposal?

Mr. KELLY. Yes, and the Federal Government will, too, Mr. Chairman, because I think that it will give you an opportunity to develop a first-class institution. It will also give an incentive to remove from this hospital those patients which are not in need of the kind of psychiatric care that a mental institution like this can provide and to gradually eliminate the kind of patient that can be as well cared for in other kinds of facilities such as nursing homes and psychiatric nursing homes and foster care homes.

INTERNATIONAL HEALTH ACTIVITIES

Mr. FOGARTY. I meant to ask something else when we were talking about salaries and expenses of the Surgeon General. You mentioned that you did cut out something for international health activities. I was going to ask what was it that you cut?

Mr. KELLY. Our notes indicate that the reduction was primarily in the area of international health and personnel management. But it doesn't specify the breakdown.

Mr. FOGARTY. The only reason I ask is that we are increasing the vocational rehabilitation international program and we are asked by the Department of Labor to increase the appropriations for ILO programs and other international labor activities, but the division of international health in the Surgeon General's Office seems to be held down in the last 2 or 3 years. I do not know whether it is the Department or the Bureau of the Budget.

Secretary CELEBREZZE. There seems to be a greater degree of cooperation between the Surgeon General's Office and Mrs. Leone Baumgartner. There is close cooperation in this particular field to the extent that AID has requested to borrow some of our top personnel over there.

Mr. FOGARTY. One of the main reasons Congress has supported these international health activities in the Public Health Service is because of the fact that in the State Department and AID there was so much redtape that many of the people on loan from the Public Health Service just got tired of the delays and frustrations and quit their jobs. We are afraid the same thing is going to or might happen again under this arrangement with AID. We hope this sort of program would develop on a sounder basis than under the State Department. I think you should put it on a so-called doctor-to-doctor basis or scientist-to-scientist basis and go from there. That is my reaction from seeing and talking with some of these people.

Mr. KELLY. There are 24 positions in the Surgeon General's Office under Dr. Watt, who is the Surgeon General's special assistant for international affairs.

Mr. FOGARTY. Of course, some of those are connected with the World Health Organization, are they not?

Mr. KELLY. Yes, primarily they relate to assisting the Department and the Federal Government in arriving at a position on world health problems and of representing the United States with the World Health Organization and with the Pan American Sanitary Bureau. And in the administration of the international health activities for which we have a direct responsibility, including the foreign currency funds. In addition, of course, there are in the Public Health Service, the personnel that are paid for by the AID agency to assist them in the administration of the AID program such as the development of projects, selection of personnel, the training of personnel and surveillance and supervision of project operations.

Mr. FOGARTY. My experience in some of these foreign countries has been that there is so much redtape connected with the State Department and all others associated with them like AID, that many of our people have quit. I talked to doctors in other countries that quit the service and stayed on as missionaries in areas like Thailand and a couple of other countries in that part of the world. So it was not a question of being tired of the work when they stayed on. They just could not take all this redtape that is required in the State Department to carry on these activities. I thought some of this would be built up a little more by the Public Health Service than it has in the last 3 years. The increase this activity in the Surgeon General's office is receiving would hardly take care of your pay act costs.

Mr. KELLY. There is not an increase in here for the staff.

Mr. FOGARTY. We will recess until 10 in the morning.

TUESDAY, FEBRUARY 19, 1963.

FINANCING PRESIDENTIAL AND INTERAGENCY GROUPS

Mr. FOGARTY. The committee will come to order.

Mr. Secretary, there are many Presidential committees, panels, and so forth, and interagency groups that never show up in the budget but are funded by taking, here and there, from other appropriations. Congress never passes on their budgets and one cannot even find in the budget how much is being spent.

Do you think this is a good way to handle the budgets for these groups? We asked the same questions of the Department of Labor.

Mr. KELLY. At your request, Mr. Chairman, we are giving you a full disclosure of just what we paid and how we financed the various interagency activities. While it is arguable how you handle any one, it would be a shame if we didn't maintain a degree of flexibility so that a problem arising during the course of the year, not foreseen, in which the President wants to have a group of departments or agencies collaborate on an analysis, that they would be foreclosed from doing it. But perhaps those which have been in being for a while should be specifically budgeted.

Mr. FOGARTY. You could take them out of the contingency fund if you chose to do it, could you not?

Mr. KELLY. I suppose so. That is a very limited fund.

Mr. FOGARTY. Is it?

Mr. KELLY. I think so.

PRESIDENT'S COUNCIL ON AGING

MR. FOGARTY. What is the Department's interest and activity in connection with the President's Council on Aging?

Secretary CELEBREZZE. On the President's Council on Aging, of course, the Secretary of HEW is the Chairman and in addition to that we have our staff on aging which is headed up by Dr. Kent and which is now responsible to Dr. Winston. As I suggested yesterday, Mr. Chairman, we had a meeting of the Council last week, I believe it was, at which time we assigned definite duties to each department for certain aspects of the problems of aging. In my conversation last night with Dr. Winston on this, she informs me that they are moving along rather satisfactorily with the new procedures that we have set up. I think primarily the function of HEW on aging is not only to develop its own programs on aging, but to see that there is some degree of coordination among other departments, because, as you know, practically every department touches on this subject matter. I think the primary interest or responsibility of the Department of HEW is coordination and providing leadership.

DESIRABILITY OF STAFF ON AGING BEING UNDER WELFARE ADMINISTRATION

MR. FOGARTY. You may be right on this, but it just does not hit the right chord with me. As I said yesterday, I have been asking these for many years and especially the last 2 or 3 years, as Mr. Cohen knows. I took part in the White House Conference on Aging 2 years ago. We thought that we were getting the older person away from the welfare client attitude and most of the aging groups that I know of have been working toward that end. In a way this reorganization seems to some to be going the other way, and I think Mrs. Winston is a very able person. As said yesterday, I am afraid that most of the aging groups will think this is a step backward.

Secretary CELEBREZZE. Mr. Chairman, I think that when you really analyze the situation, while aging is under what we call the Welfare Administration, and some of the other programs in Welfare do touch on aging problems—that is medical care and things of that kind we don't look at it from that facet at all. I have tried to convey my basic philosophy of the aging. We want to provide facilities in which the aging people of the country are given the same consideration, perhaps, that we give the youth of the country, in that we are setting up plans and programs, recreation programs and housing for them. I think that would fall under what we speak of in the broad term of general welfare—it is not to my mind specifically attached to welfare as you and I would define welfare. It is much broader than that.

MR. FOGARTY. But the connotation is there and I am afraid it is going to be awfully difficult for you or anyone else to explain it away.

Secretary CELEBREZZE. As I say, there are so many facets, for example, HHFA has a part because of its housing program.

MR. FOGARTY. Public Health Service.

Secretary CELEBREZZE. States have their own aging program with regard to pensions or regard to medical care. The other facets—the Department of Commerce has a part of the program; Interior has a part of the program, so that I think, perhaps, what we ought to

do is—rather than try to define what we are doing and defining what we are doing for the aging, we ought to say we are doing it for the citizens of the Nation rather than trying to isolate them group by group.

Mr. FOGARTY. But you are going to spend a lot of time explaining this. I think it is going to be awfully difficult to explain. That is my opinion. Because when this was being relocated the Public Health Service was setting up something new in gerontology and the Social Security Administration was expanding their aspects of their program. These, I do not think would come under Mrs. Winston.

Secretary CELEBREZZE. No. But, Mr. Chairman, as I stated yesterday, I think that what we are basically concerned with is results. While I would concede to agree that the name is a poor one, the elementary thing that we are concerned with is, are we achieving anything—are we moving in the right direction? I feel a degree of confidence at this particular time that if the programs as we have outlined it to our respective Department heads are carried forward, that we should be able to show some concrete results in these particular areas.

PROPOSED GRANT PROGRAM FOR AGING

Mr. FOGARTY. There was a proposed grant to the States for demonstration programs. If such a grant program were to be instituted, would it be administered by the new Welfare Administrator?

Secretary CELEBREZZE. Yes.

Mr. FOGARTY. And would the funds then go through the welfare departments in the various States?

Secretary CELEBREZZE. Not in every State.

Mr. KELLY. That would be up to the State. For example, the Children's Bureau, which is in the Welfare Administration, makes the grant funds available to both health departments and welfare departments.

Secretary CELEBREZZE. While it is true that some of the problems of aging, some of the questions of aging are being channeled through the health departments, I don't think we can get away from the basic concept that part of it is welfare.

Mr. FOGARTY. We are trying to get away from that connotation, associating those people with welfare.

Secretary CELEBREZZE. Anything in that nature which we would suggest would again call for a State plan on aging. And it would call for a commission as they now have in some States.

REORGANIZATION OF REGIONAL PERSONNEL

Mr. FOGARTY. What happened to the special representatives that we have, regional representatives, on aging?

Mr. KELLY. They are part of this Office on Aging.

Mr. FOGARTY. Who do they report to?

Mr. KELLY. The Office of Aging.

Mr. FOGARTY. Report to Mrs. Winston?

Mr. KELLY. Dr. Kent, under Mrs. Winston.

Mr. FOGARTY. They used to report to whom?

Mr. KELLY. To the Office of Field Administration.

Mr. FOGARTY. That is what I thought. So there is a change there. What about the Public Health regional people? Who do they report to?

Mr. KELLY. To the Surgeon General. He has a special field representative in his office that handles coordination and liaison.

Mr. FOGARTY. What does Mr. Lund's group have to do with it now; anything? Or is he out of the business?

Mr. KELLY. No, as you know, Mr. Lund is the Director of the Office of Field Administration and has under him the management services, the audit function, et cetera. The regional directors are responsible for being the Secretary's eyes and ears in the field in coordinating the activities in the field. Each of our operating agencies has representatives in the regional offices that are essentially housed there and endeavor to work as a team. But they receive their actual functional supervision from their operating agency. This applies to Social Security, Public Health, and the Children's Bureau representatives, et cetera.

PANEL OF CONSULTANTS ON AGING

Mr. FOGARTY. What happened to the consultants' committee that was set up by the Secretary?

Mr. COHEN. In what field?

Mr. FOGARTY. Aging.

Mr. COHEN. The Advisory Committee—

Mr. FOGARTY. I thought they were called consultants?

Mr. MILES. Panel of consultants was the term.

Mr. COHEN. There was a 29-man committee and they are advisory.

Mr. FOGARTY. When were they appointed?

Mr. COHEN. They were appointed about a year or a year and a half ago.

Mr. FOGARTY. How many meetings have they held?

Secretary CELEBREZZE. They just had a recent meeting, Mr. Chairman, in which I had the opportunity of sitting down with them.

Mr. FOGARTY. Have they met more than once in the past year?

Secretary CELEBREZZE. I think this is the second meeting that they have had this year. May I say that I have also had the opportunity of calling in the regional representatives and sitting down with them in the 6 months I have been here.

Mr. FOGARTY. One of the consultants told me they haven't any real authority.

Secretary CELEBREZZE. It is purely an advisory board, the same as any other advisory committee, in which they advise the Secretary but they have no powers of enforcement.

PRESIDENT'S COUNCIL ON AGING

Mr. FOGARTY. How does the President's Committee on Aging fit into this?

Secretary CELEBREZZE. Mr. Chairman—you mean the President's Council on Aging of which I am Chairman. We just had our meeting last week in which we really came up with what I considered a sound program with definite responsibilities to each department. I think that was lacking.

Mr. FOGARTY. Who is the Executive Secretary?

Secretary CELEBREZZE. Dr. Winston is the Executive Director.

Mr. FOGARTY. Who does she report to?

Secretary CELEBREZZE. Dr. Winston reports to the Council and to me, as Chairman, and also to me as being in charge of the function of the HEW in regard to aging. And, as I said earlier, the advantage of this type of program is Dr. Winston attends our weekly staff meetings which Dr. Kent never attended because of the Office of Aging organizational level.

Mr. FOGARTY. What major goals has the President's Council set forth and what has it really achieved since its formation?

Mr. KELLY. In this meeting that the Secretary referred to last week they did establish for this coming year a series of priority items and assignments to subcommittee chairmen. One of them I recall is equal opportunity for aging in employment, which the Secretary of Labor undertook to develop in behalf of the Council—a Government-wide report.

Mr. FOGARTY. It has been more or less a discussion group, hasn't it? That's about what it amounts to.

Secretary CELEBREZZE. It is now a little different than a discussion group. We have made some changes. We made some changes last week in the field of aging. I will have that placed in the record, Mr. Chairman.

(The information follows:)

WHAT ARE WE DOING ON THE PRESIDENT'S COUNCIL ON AGING?

The President's Council on Aging has established five subcommittees to be responsible for major projects and continuing review and coordination in designated program areas. These subcommittees are: Employment of Older Workers, Housing, Nursing Homes, Older People in Rural Areas, and Development of Services. Significantly, the chairman of each subcommittee is the agency that has primary program authority in the area, but the other agencies with related interests are represented. Thus the Nursing Home subcommittee is chaired by HEW and includes HHFA, Veterans Administration, and Small Business Administration. These committees have already been organized.

Among the activities planned for the coming year is a study of employment of older workers and the development of a policy on the Federal role in combating discrimination against older workers. Another part of the President's Council program is to study the feasibility of adopting the food stamp program to meet the needs of low income elderly people. Another is the development of policy and standards regarding Federal participation in provision of activity centers, infirmaries, and other nonresidential facilities associated with congregate housing; and still another is the review and evaluation of present patterns of Federal assistance for nursing homes. Each of the committees has a date upon which a report is to be submitted to the President's Council for action.

Mr. FOGARTY. How do these other people that are concerned with aging contribute to the Council's budget?

Mr. KELLY. To the Council on Aging? A budget plan is evolved by the Council and then the cost of it is allocated among the participating departments and each department contributes to it. I think that in this instance HEW's share is 50 percent and the balance is distributed among the other participating agencies.

Secretary CELEBREZZE. I may add that at the last meeting on that, what is now known as the Subcommittee on Housing of the President's Council on Aging, was assigned a special project in addition to

their continuing responsibility of promotion of housing for the aging, infirmaries and other nonresidential facilities associated with such housing. Their report is due to the Council on September 30. The preparation of the report for publication will describe accomplishments of all Federal programs, providing assistance in construction of the housing for the elderly. The publication date is December 31. This involves promotion and sponsorship of further research on housing needs of the elderly. The report on that is due to the Council on December 31. In addition to the above I also requested that in conjunction with the urban renewal programs, perhaps they could have a little more concentration on incorporating into the plan some form of recreational facilities.

Mr. FOGARTY. As you are the new chairman, what are your plans and how do you expect the Department's agencies to fit into the whole scheme?

Secretary CELEBREZZE. We touch every facet in this. We are concerned with housing of the elderly, concerned with building the necessary safeguards for them in seeing to it that they are not exploited in the field of medicine, through the Food and Drug Administration. This includes these gimmicks that people come out with, machines that people come out with to cure all sorts of ills.

Because of the scope of the Department, we touch practically all facets.

NEED FOR GRANT PROGRAM ON AGING

Mr. FOGARTY. You still don't have a grant program of any kind, do you?

Mr. KELLY. Not as such, no.

Mr. FOGARTY. I have had some of these people complain about the lack of organization and that they have no grant programs of any kind. It is not criticism directed at any individual but just at the overall program.

Mr. COHEN. Could I comment on that, Mr. Chairman? I think as a result of watching this very closely for 2 years that what is needed is a grant program. That is the essence of the entire problem that you have been dealing with. In other words—this is my personal feeling—as long as the responsibility for working in this field is just coordination of a lot of different programs, that is forever going to be a problem, as you say, of discussion. Until there is a grant program that gives funds and helps to give support to the specific programs I don't think we are going to be able to change the basic characteristics of this problem.

There are only 31 States that today have permanent commissions of aging. After 12 years and two White House Conferences on Aging, with all the interest that has been developed, there are still 20 States that have not set up some kind of permanent commission or agency to focus their responsibility in the States and localities. Now only 25 of these 31 States have a State appropriation, which is the most important part. In other words, half of the States do not have an agency with an appropriation to go forward to focus on this entire problem in the State. However, 25 have permanent commissions with appropriations. So that is roughly half. Half do and half don't.

In my personal opinion, until the States have a commission with staff and a permanent appropriation, there will not be a focal point in the States to undertake this. There are 800 cities and counties in the country that do have local planning and coordinating committees on aging. So there is a lot of organization at the local level. But they don't get too much help from the States where they really need a great deal of help.

The program that the chairman mentioned which was introduced last year for these project planning and coordinating grants seems to me to be the best way to go forward from where we are now. That would give the States and the localities a small but very stimulating amount of money, just like project grants in public health and education have done, to get some specific projects going, not just talk, not just discussions, but projects in the field of, let's say, senior citizen activity centers. There are only 350 senior citizen activity centers in the whole United States at the present time.

Mr. FOGARTY. Many of them are church-sponsored.

Mr. COHEN. Many of them are church-sponsored and some of them are operated on a shoestring and have inadequate quarters and no professional supervision as to the total program. I believe that if we have a program in this country of grants and stimulation to senior citizen activity centers, then you have something very specific that the Federal Government, the States, the locality can do to help people. But until we have such a program I think you are going to find that we can't really do what you have in mind.

Now, to explain one point in connection with that bill last year; it did provide that the State would determine the State agency that would administer these grants. We didn't specify in the legislation which type. It is true that one State could either pick this coordinating committee, council or State commission, and another State might pick the health department or the welfare department, but in the draft of the legislation it would be entirely up to the State to pick its own. I think that is really the next important step if you are going forward in improving the situation.

Mr. FOGARTY. I agree with you but I also think that the additional step has to be taken to set up an independent agency, reporting to the President. And if we can't have that certainly the agency in the Department should report directly to the Secretary and not be separated by some layer in between. **I don't think you are going to get much action from any committee or agency on aging until you have one with some independence.**

Secretary CELEBREZZE. I may suggest, Mr. Chairman—last week I think I suggested that they study the feasibility of a grant program on a matching basis for recreational facilities for the elderly.

Mr. FOGARTY. That is a step. I think you have to have something like that to get these States to do something.

Secretary CELEBREZZE. I think I mentioned this yesterday, from my own experience in recreation areas too many public officials think in terms of recreation only for the youth. You need recreation for the elderly, too. That becomes a little more expensive because for youth you can put up ball diamonds and swimming pools, but for the other you have to put up structures. I have asked the staff to look into it.

FORMULATION OF PROGRAM FOR AGING

Mr. COHEN. May I say one other point in connection with your question as to what the Council people have done and what the staff of the Office of Aging have done? In the last 5 months I have worked at the Secretary's instruction very extensively with these people and in terms of the kind of objectives that you stated to us last year, of really doing something constructively, we have come up with a very comprehensive program of specific legislative and program changes affecting the aging. I think this represents the most careful and conscientious review and evaluation, and specific recommendations for the aging that has ever taken place and it is based in part on all the recommendations that were made in the White House Conference on Aging and work since then, and I would hope on the basis of these recommendations that we have made to the Secretary and to the President that you would find there is a very definite, specific program in aging that we can now underwrite.

Mr. FOGARTY. I think you have been working hard on this program and I think many others have been working on it. But as I look at it they are getting nowhere. A lot of people working on it and working hard, real dedicated people, but no one seemed to know where they were going.

Mr. COHEN. Mr. Chairman when you see the new sets of recommendations, I would hope that that statement you made would not apply, because I think the new recommendations would indicate we do know where we are going. We formulated a very positive concrete practical realistic set of recommendations that are financially responsible and practical in terms of what the States and localities private and public groups can do. Of course, a large part of it, may I say, depends on legislation that Congress would enact in order to make that possible.

Mr. FOGARTY. Are these recommendations going to be in the President's message on aging?

Mr. COHEN. Yes

Mr. FOGARTY. Coming up this week.

Mr. COHEN. Thursday

COUNCIL ON PHYSICAL FITNESS

Mr. FOGARTY. What is the Department's interest and activity in connection with the President's Council on Physical Fitness?

Secretary CELEBREZZE. Well, the President's Council on Physical Fitness of which Mr. Wilkinson is the head is one which works closely with the Office of Education. I had a meeting with Dr. Keppel on it as to the youth of the Nation. We got splendid cooperation from the schools but in some other areas we weren't getting such good cooperation. I presumed that the best thing we got was when the President requested the 50-mile hike.

Mr. FOGARTY. Do you think that is good or bad?

Secretary CELEBREZZE. I don't know whether it was good or bad. The youth fitness program has to work in conjunction with the Office of Education. There has been a meeting between Mr. Wilkinson and Mr. Keppel on it in that area.

OUTDOOR RECREATION COUNCIL

Mr. FOGARTY. Now the Outdoor Recreation Advisory Council——

Mr. COHEN. We are a participant in the group. That is largely as I recall an Interior Department responsibility and we attend meetings and give some limited——

Mr. FOGARTY. Is that the one Laurance Rockefeller is on?

Secretary CELEBREZZE. No. I have met with the Department of the Interior basically on recreation facilities in the forest areas and what they are referring to is open-space activity. That report will be coming out shortly, but that is under the jurisdiction of Secretary Udall.

Mr. FOGARTY. But you advise with them?

Secretary CELEBREZZE. I have attended their meetings and when I can't attend I have a staff member attend.

Mr. FOGARTY. Now, what about the Federal Interagency Committee on Recreation?

Mr. KELLY. That is again a Department of the Interior operation which we are a participant in and contribute \$1,100 a year to its operation.

FINANCING INTERAGENCY GROUPS

Mr. LAIRD. Mr. Chairman, will you yield?

Mr. FOGARTY. Yes, sir.

Mr. LAIRD. I was surprised that so much of the money for the President's physical fitness program comes from the Department of Defense. They are contributing \$120,000.

Are you going to put the names of all these committees and councils in the record, and the contribution from each agency?

Mr. FOGARTY. I will ask you, as I did the Secretary of Labor, about the financing of these various commissions, councils, committees and so forth that are set up outside your Department but which you and others are called on to help finance. The committee has always thought such things should be set out in the budget so a person can see what they cost. But many don't show up in the budget at all. Put a statement in the record showing for each one how much you are contributing for 1963 and 1964 and what other agencies are contributing.

Mr. KELLY. I wonder if you want the part on what other agencies are contributing for all of them or just those on which we are the manager of the committee?

Mr. FOGARTY. All of them.

Mr. KELLY. We will have to obtain that.

(The statement follows:)

Financial support of committees, commissions, and councils—Estimates for fiscal years 1963-64

	1963 estimate	1964 estimate ¹
President's Council on Aging:		
Department of Health, Education, and Welfare	\$51,500	\$51,500
Department of Labor	10,300	10,300
Housing and Home Finance Agency	10,300	10,300
Veterans' Administration	10,300	10,300
Department of Agriculture	5,150	5,150
Department of Commerce	5,150	5,150
Treasury Department	5,150	5,150
Civil Service Commission	5,150	5,150
Total, budget	² 103,000	² 103,000
President's Council on Physical Fitness:		
Department of Health, Education, and Welfare	50,000	50,000
Department of Agriculture	30,000	30,000
Department of Commerce	20,000	20,000
Department of Defense	120,000	120,000
Department of Justice	30,000	30,000
Housing and Home Finance Agency	20,000	20,000
Department of the Interior	30,000	30,000
Department of Labor	15,000	15,000
Total, budget	315,000	315,000
President's Committee on Juvenile Delinquency and Youth Crime:		
Department of Health, Education, and Welfare	³ 160,000	160,000
Department of Justice	45,000	45,000
Department of Labor	45,000	45,000
Total, budget	250,000	250,000
President's Committee on Equal Employment Opportunity:		
Department of Health, Education, and Welfare	15,000	15,000
Department of Agriculture	15,000	15,000
Department of Defense	113,000	113,000
Department of the Interior	11,000	11,000
Department of Labor	27,000	27,000
Post Office Department	24,000	24,000
Atomic Energy Commission	83,000	83,000
Federal Aviation Agency	27,000	27,000
General Services Administration	38,000	38,000
National Aeronautics and Space Administration	61,000	61,000
Tennessee Valley Authority	11,000	11,000
Total budget	425,000	425,000
President's Panel on Mental Retardation: Department of Health, Education, and Welfare (total budget)	105,000	40,000
White House Conference on Narcotics and Drug Abuse (Interdepartmental Committee on Narcotics):		
Department of Health, Education, and Welfare ⁴	15,000	-----
Department of Defense	3,000	-----
Department of Justice	3,000	-----
Department of State	3,000	-----
Treasury Department	3,000	-----
Total, budget ⁴	27,000	-----
Federal Radiation Council:		
Department of Health, Education, and Welfare	8,000	10,000
Atomic Energy Commission	8,000	10,000
Department of Labor	8,000	10,000
Department of Commerce	8,000	10,000
Department of Defense	8,000	10,000
Department of Agriculture	8,000	10,000
Total, budget	48,000	60,000
Federal Interagency Commission on Recreation:		
Department of Health, Education and Welfare	1,100	1,100
Department of the Interior	4,400	4,400
Department of Agriculture	1,100	1,100
Department of Defense (Army)	1,100	1,100
Total, budget ⁴	7,700	7,700

See footnotes at end of table.

Financial support of committees, commissions, and councils—Estimates for fiscal years 1963-64—Continued

	1963 estimate	1964 estimate ¹
Committee to Study Feasibility of Establishing a National Service Corps:		
Department of Health, Education, and Welfare.....	\$1,500	-----
Department of Agriculture.....	1,500	-----
Department of the Interior.....	1,500	-----
Department of Justice.....	1,500	-----
Department of Labor.....	1,500	-----
Department of Commerce.....	1,500	-----
Bureau of the Budget.....	1,500	-----
Housing and Home Finance Agency.....	1,500	-----
Peace Corps.....	1,500	-----
Civil Service Commission.....	1,500	-----
Total, budget.....	15,000	-----
Total, Department of Health, Education, and Welfare contributions..	407,100	\$327,600
Total, budgets of committees.....	1,295,700	1,200,700

¹ 1964 estimates assume same level of operation as 1963 in all instances where a 1964 budget has not yet been developed and where there is evidence the committee will continue operations through fiscal 1964.

² Budget currently under review.

³ \$132,350 actual payment made as of Feb. 1, 1963.

⁴ Includes \$12,000 for conference planning costs which were budgeted for separately. President's Advisory Commission on Narcotics and Drug Abuse established by Executive Order 11076 of Jan. 15, 1963, supercedes the activities of this conference. The Advisory Commission is financed under "Special projects, the White House Office."

⁵ Handled on a reimbursable basis. Funds are transferred after billing is received for pro rata share of actual payment made.

NOTE.—The National Institutes of Health provide staff and administrative services to the secretariat for the Interdepartmental Committee on Nutrition for National Defense, which includes among its members representatives of Agriculture, Defense, HEW, State, Agency for International Development, and the Atomic Energy Commission. Beginning with fiscal 1963, the NIH costs associated with support of the Interdepartmental Committee will be met from reimbursements from the Department of Defense and AID.

MEMBERSHIP OF INTERAGENCY COMMITTEES

Mr. FOGARTY. Tell us about the President's Committee on Juvenile Delinquency and Youth Crime.

Secretary CELEBREZZE. Mr. Chairman, that is a committee——

Mr. FOGARTY. Who heads that?

Secretary CELEBREZZE. The Attorney General. The Labor Department, Attorney General, and Department of HEW are involved.

Mr. FOGARTY. The President's Panel on Mental Retardation?

Secretary CELEBREZZE. That was Dr. Leonard Mayo. This is the committee that prepared the report of several months ago.

Mr. FOGARTY. President's Committee on Youth Employment?

Secretary CELEBREZZE. President's Committee on Youth Employment is under the Secretary of Labor and we take an active part.

Mr. FOGARTY. President's Commission on the Status of Women?

Secretary CELEBREZZE. That is—I am a member of that committee and that is also under the jurisdiction of the Labor Department. But I have a part in it.

Mr. FOGARTY. How many committees are you a member of?

Secretary CELEBREZZE. I chair about 10 and I am a member of about 23.

Mr. FOGARTY. The President's Committee on Migratory Labor?

Secretary CELEBREZZE. That is the Labor Department, but, again, we play a part relating to the health of the migratory population.

Mr. FOGARTY. Inter-Agency Committee on Nutrition?

Mr. KELLY. This is a technical group on which the Public Health Service and Food and Drug Administration participate with primarily the Department of Defense.

Mr. FOGARTY. Joint Task Force on HEW Services and Housing?

Mr. COHEN. That is a group in which the Housing Administrator and Secretary of HEW are the joint chairmen.

CIVIL DEFENSE BUDGET

Mr. FOGARTY. How much is there in the 1964 budget for civil defense and defense mobilization?

Mr. KELLY. We have one appropriation that is made directly to us in the Public Health Service in which there is a request for \$42 million that has to do with the medical stockpiling and emergency health programs. All other expenses of the Department of Health, Education, and Welfare in the conduct of the delegated responsibilities of the Department pertaining to civil defense and defense mobilization are budgeted for as a part of the total civil defense program.

Mr. FOGARTY. And that will be justified before the Independent Offices Subcommittee?

Mr. KELLY. In both instances. There is nothing in our regular appropriation before your subcommittee.

INCREASED FOREIGN CURRENCY PROGRAMS

Mr. FOGARTY. I notice that the total request for 1964 for the various foreign currency programs is more than double the amount for 1963. Is there any particular reason for that doubling of these amounts?

Mr. KELLY. You will recall the first year for which we had funds was fiscal 1962 and it took us some time to organize methods and procedures to get the program underway. So in 1963 we had fairly limited requests pending utilization of the funds you gave us in 1962 in getting some greater experience with respect to that program. Based on that, the operating agencies felt they could very effectively utilize more funds in 1964 than had been made available to them the previous year.

COST OF PROPOSED LEGISLATION

Mr. FOGARTY. If all the legislation in your field that is being proposed is passed, how much bigger in dollars and people will the Department be in 1964?

Secretary CELEBREZZE. The budget increase would run about \$1,365 million. There would be approximately 550 additional personnel.

Mr. FOGARTY. 500 more people; is that all?

Mr. KELLY. In 1964. In 1965—one of the legislative proposals would relate to the health insurance for the aged and this would involve a much larger expansion of staff.

Mr. FOGARTY. How much in 1965?

Mr. KELLY. I don't have a precise figure, but I would guess it would be in the neighborhood of 3,000 positions, including the medical insurance for the aged.

ORGANIZATIONAL LEVEL OF HANDICAPPED CHILDREN PROGRAM

Mr. FOGARTY. Mr. Secretary, all through this budget, you mentioned increases that you are asking for in connection with the problems of mental retardation prompted, I suppose, by the President's interest and the President's committee and the fact that this committee has, for the last several years, made recommendations for expansion of these activities. I think the President's committee did a real good job. They might have done a better job if they had a little more time. But for 2 or 3 years now, we have been suggesting to the Department and to the Office of Education, especially, that we give a little more status to all handicapped children in the Office of Education by raising the position of the person in charge of this particular program in the organization of the Office of Education. But I don't see anything much being done about it.

Secretary CELEBREZZE. Of course, we do have a much broader program. I will split the answer into two parts. There is a much broader program in our education bill. Are you referring to salary of the individual in charge of it?

Mr. FOGARTY. No, we twice recommended in our report that there should be an assistant to the Commissioner of Education for that area to give it the recognition it deserves.

That has never been done. I understand they broadened the responsibility some, but nothing compared to what the voluntary groups have suggested. Of course that was before Dr. McMurrin and I know he considered it and he did something. He thought he was making some improvement.

Secretary CELEBREZZE. I may say this, Mr. Chairman: In my conversation with Dr. McMurrin, before he left, I asked him to give me a memo on what he thought the position should be. He submitted a memo. I took no action on it purposely because I thought that that should be a function of the new Commissioner when he came in. I am of the opinion that the new Commissioner is again studying the situation.

Mr. FOGARTY. On page 73 of the justification you say:

The new Commissioner is going to give this matter his personal attention. A very serious effort is underway to find the best possible person who can be found to undertake the program. Elements to be considered include the strengthening of activities in this area requested in the budget and legislative proposals to expand support for training of teachers for the mentally retarded and other handicapped children.

(Discussion off the record.)

Mr. FOGARTY. Mr. Secretary, what is the memorandum from Dr. McMurrin you referred to?

Mr. CELEBREZZE. When Dr. McMurrin was leaving, I asked him to prepare, for me, a memorandum regarding the staff in the Office of Education, which he submitted to me. I took no action on it, because we had not yet appointed the new Commissioner of Education.

I took the attitude, before I made any changes on my own initiative, that I should take advantage of consulting with the new Commissioner. I have now consulted with the new Commissioner. That is why part of the educational bill is the way it is, and he has it constantly under advisement.

Mr. FOGARTY. I see. Again, if your education bill doesn't get through, this may be left by the side of the road, also.

Mr. COHEN. I feel very optimistic, Mr. Chairman, that that provision will be enacted.

Mr. FOGARTY. Do you think the education bill is going to be considered in a lot of pieces—piecemeal?

Mr. COHEN. I would not say a lot of pieces.

Mr. KELLY. He is not so confident he doesn't want to solicit your help to get it through, Mr. Chairman.

INFANT MORTALITY

Mr. FOGARTY. Mr. Secretary, we are spending quite a bit of money on research and training more people, and to build research facilities; then we read stories in the newspapers and medical magazines and other media, that there are seven or eight countries that are healthier than ours.

Mr. CELEBREZZE. Mr. Chairman, at least in the past years, we have shown improvement. We are going up in status. It is true that, for example, in the death rate among newborn children, about 20 years ago, we ranked about 25th or 27th. We have now pulled ourselves to where we are 10th in the world, in reducing that rate, and we are constantly working in that area.

I think that within the past—at least within the past 5 years—there has been a new emphasis upon the health of the people of this great nation of ours, and if we get part of the legislation which we are requesting, it will go a long way in being helpful to our country.

Mr. FOGARTY. But I have one chart here from the Children's Bureau. Vol. 9, No. 5—Children. September–October 1962.

Netherlands, Sweden, Norway, Australia, Finland, Switzerland, United Kingdom, Denmark, New Zealand, Canada, Japan, Ireland, Luxembourg, and the Federal Republic of Germany, all had better records than we did in reducing infant mortality.

I named all of these in the table, with the exception of the United States. We are at the bottom.

Secretary CELEBREZZE. We have come a long way from where we were in the past few years.

Mr. FOGARTY. All show a decrease since 1950, but we show the least.

Mr. COHEN. That is the very reason why we recommended, this year, legislation to do three things.

First, increase the amount of funds available, in terms of child health.

Second, increase the funds under the crippled children programs.

Those two programs have not been legislatively amended to keep pace with the change in the cost of medical care, and the increased number of children.

I think the improvements in those two programs are vitally necessary if we are going to make an attack on this problem.

Secondly, we are proposing legislatively a comprehensive maternity care program for mothers of low-income families, and these, plus project grants for research in maternity and child health, have been in-

cluded in the bill that Mr. Mills has introduced. It goes to the Ways and Means Committee.

Now, I think if we don't take those steps that the Secretary has recommended, this situation is going to get worse rather than better.

Secondly, let me point out to you that there are many States and localities in the United States in which the infant mortality rates are simply scandalous at the present time.

Mr. FOGARTY. The worse one is right here—the District of Columbia.

Mr. COHEN. Yes, sir; and in large metropolitan areas, in the leading metropolitan areas of the United States, both the infant mortality and the maternity mortality rates for women who do not have proper prenatal care is simply terrible. The incidence of mental retardation among these children, born of women who do not have prenatal care, is several times higher than for the general population.

There are many communities in which the woman comes into the public hospital in which she has not had any attention, or seen a physician prior to that time, and she has no postnatal care.

Now, that is the situation.

Mr. FOGARTY. I read the statistics on that.

Mr. COHEN. I could go on at some length about this problem but I think that if you want the United States to come back from 10th, to a higher rating, and if you want the situation to be overcome in the large metropolitan areas in some of the States, we will have to make a much more vigorous attack on this program of improving title 5 of the act, as we have outlined it.

Mr. FOGARTY. Well, the District of Columbia, among all our major cities, is the worst. It seems to me that sort of a project could very well be started here in the District.

Mr. LESINSKI. Mr. Chairman, may I comment at that point?

Mr. FOGARTY. Surely.

Mr. LESINSKI. The trouble with infant mortality today is not what we are talking about. The trouble with infant mortality today is women drink more; they smoke more; the fact that the woman doesn't get exercise her body needs to produce a healthy child.

Let's get down to earth, and get to the basic cause of the mortality—the causes there. Let's correct that, if possible through education.

Secretary CELEBREZZE. Mr. Chairman, the mental retardation report had a very good detailed study made on the lack of prenatal care, and in those instances, where there was not proper prenatal care, you had a high degree of mental retardation.

Mr. COHEN. Mr. Chairman, though, in connection with what Mr. Lesinski said, I would like to say though, whatever may be the factor, if there is not prenatal and postnatal care for these women, you are going to find the incidence of mortality higher. You are going to find the incidence of mental retardation higher. You are going to find the incidence of mental illness higher. You are going to find the incidence of crippling defects at birth higher, and this all puts a tremendous strain both on those families and on the economy, because you are going to take care of them through medical care or institutional care later on.

It is for that reason that I think our proposal for this comprehensive maternity care of low-income women or families is the most

important new proposal that has been made to tackle this problem and I think it really warrants a very serious consideration by Congress, if you want to change that situation.

Mr. FOGARTY. I agree, most all the reports and surveys that I read show the high mortality in the low socioeconomic areas in the larger cities. They also show a higher incidence of mental retardation where there is no prenatal or postnatal care, which is often the case with people in these areas.

Mr. COHEN. Plus the incidence of mental illness as shown by a very outstanding study by Dr. Redling. It is very, very much higher among these kind of families, so that society is paying for all these things over a long period of time because of the lack of these adequate maternity programs.

Mr. LESINSKI. Mr. Chairman, I have to agree with Mr. Cohen and the chairman that the prenatal and postnatal care is very important. I cannot argue that that point is not correct. I have to agree with that. That is true.

On the other hand, the life of the woman, the health of the woman, has a big bearing upon the birth of the child and therefore, that is very important.

Mr. COHEN. Yes, sir. For instance, there is a very interesting study about the effect of cigarette smoking on maternity.

Mr. LESINSKI. I heard that, too.

Mr. COHEN. And some of these other factors, which the research is producing, throw very important light on this question.

Mr. LESINSKI. You take years ago, women working out in the field had a child, took it in the house, then went back in the field. There was no problem. Today, you cannot do that.

Mr. COHEN. I may say at that point, the life expectancy of that child was much shorter than it is now. When they were being born, the life expectancy was about 45. It is about 62 now.

I think you have to take that into consideration.

Secretary CELEBREZZE. Mr. Chairman, again, in developing our legislative program on this prenatal care, we had some fine testimony before my own staff from this doctor in Chicago. I cannot recall his name now, which coincided almost entirely with the mental retardation study and with the problems they have—problems common to this question.

Mr. FOGARTY. How long have you been here now, Mr. Secretary?

Secretary CELEBREZZE. Six months.

Mr. FOGARTY. Six months. It is a pretty big group of programs to cover in that 6 month period, is it not?

Secretary CELEBREZZE. Yes, sir. It is a big group to cover in 2 years.

ACTION ON FOUNTAIN COMMITTEE RECOMMENDATION

Mr. FOGARTY. I know it is a big job. About a year ago, the Fountain committee of the House made certain charges of administrative weaknesses in NIH programs.

Have you had a chance to look into these charges?

Secretary CELEBREZZE. Yes.

Mr. FOGARTY. And what has been done as a result?

Secretary CELEBREZZE. We have taken certain remedial steps. As a matter of fact, we have taken these criticisms by the Fountain committee quite seriously. We have taken a hard look at our procedures for management of our grant programs, not just at the NIH, with a view to strengthening them as much as possible and out of this arose certain actions of the Public Health Service. The Surgeon General appointed one man to follow these grants, as a result of the study. A great many grants are being made. This is, of course, of deep concern to us and I have repeatedly, at every staff meeting, requested that they be analyzed thoroughly. While I appreciate that we have boards or advisers, who analyze these grants and make recommendations to us, of course, I think it is also necessary to have careful staff analysis and thus get a little bigger check and balance.

With regard to NIH, which Congressman Fountain is very much interested in, we sent to him just recently, a report on measures and policies which we have put into effect for dealing with his committee recommendations, and I will be glad to furnish a copy of that for the record.

Mr. FOGARTY. Let's put it in the record.

(The report follows:)

ACTIONS TAKEN BY THE PUBLIC HEALTH SERVICE TO STRENGTHEN ITS RESEARCH AND TRAINING GRANT PROGRAMS

We have attempted to organize our efforts to improve the administration of our grant programs in terms of several major objectives:

(a) Take those steps necessary to assure that expenditures from grant funds are made for and essential to the purposes for which the grant was made;

(b) Provide a greater awareness on the part of grantee institutions of the responsibilities imposed upon them in the acceptance of grant funds and where necessary assist in developing adequate means to discharge such obligations;

(c) Assure a more complete and orderly establishment and issuance of regulations, policies and procedures pertaining to grants administration;

(d) Strengthen our own internal grants organization, staffing and processes; and

(e) Delineate more clearly and improve the executive and advisory functions in the planning and direction of grant programs.

Steps taken or planned under each of these objectives are described below.

A. *Take those steps necessary to assure that expenditures from grant funds are made for and essential to the purposes for which the grant was made*

In discussing below the policy guides that have been provided to grantee institutions, we describe the development and issuance of a research grants manual. Within that manual, we have included a number of key policies which are directed specifically toward assuring that grant funds are expended only for the purposes for which the grant was made. The policies listed below were of such importance that they were reviewed by the Office of the Secretary prior to issuance. Each of them went into effect in January 1963.

1. *Salaries charged to grants.*—Salaries paid from grants must be consistent with salaries which are paid from institution funds to other staff with similar qualifications, and the salaries charged to grants must reflect the actual percentage of the person's time or effort devoted to grants as computed from quarterly "effort" reports made by the investigators and maintained by the grantee institution. In sum, this policy provides that there shall be no salary differential which results from the fact that a scientist is paid from PHS rather than grantee institution funds.

2. *Equipment.*—Equipment required for the conduct of a Public Health Service supported grant may be purchased only after determination by an appropriate administrative official of the grantee institution that no equivalent equip-

ment is available for the intended use. Grant funds may not be used for the purchase of any single unit or piece of equipment costing in excess of \$1,000 which has not received prior PHS approval, and grant funds may not be used to equip or furnish offices, reception rooms, conference rooms, or similar space, unless specifically approved by the PHS.

3. *Travel*.—Grant funds may be used for domestic or international travel by individuals engaged in carrying out the approved project where such travel is essential to the successful prosecution of the research being supported, up to the amount specified in the approved application. In exceptional cases funds may be transferred to the travel category if adequately justified in a request approved by the responsible budget official of the grantee institution and by the Public Health Service.

Special provisions which apply to foreign travel which is not specifically approved as part of the grant award include: (a) The investigator must submit a request in writing to the PHS prior to the proposed travel and receive written approval and response, (b) the request must indicate why the proposed travel is needed for effective performance of the project supported by the grant, and (c) the request must be countersigned by the responsible grantee institution official indicating that the travel is in conformity with the institution's own policies on foreign travel.

4. *Charges for alterations and renovations*.—Alterations and renovations may be approved as an appropriate charge to a research grant if they are essential to the conduct of a research project or projects; if they meet the requirements set forth in the specific definition of alterations and renovations listed in the manual; and if the aggregate cost to the PHS does not exceed \$50,000.

5. *Transfer of funds between categories of expenditure*.—For purposes of evaluating applications for research grants, proposed direct costs must be broken down by category of expense; however, after a grant is awarded to the institution, funds may be rebudgeted, except that funds may not be rebudgeted into the following categories without prior PHS approval: alterations and renovations; patient costs; publication of books, monographs or pamphlets; travel; fixed equipment; items of movable equipment costing more than \$1,000; and equipping and furnishing of offices, conference rooms, reception rooms, or similar space.

6. *Changes in project content*.—The investigator may make changes in methodology, approach, or other aspects of the project which in his judgment would expedite achievement of the research objectives of the project; however, no change may be made, without prior approval of the PHS, which would constitute a significant deviation from the nature and purpose of the approved project.

7. *Discontinuation of grants to profitmaking institutions*.—A key policy which has since been adopted on a departmentwide basis is our decision to use the contract mechanism for research performed by profitmaking organizations, to discontinue all current grants to such organizations and determine which of them should be switched to contracts, and to prohibit further grants to these organizations.

B. Provide a greater awareness on the part of grantee institutions of the responsibilities imposed upon them in the acceptance of great funds and also make certain that they have adequate means to discharge such obligations

There are three basic approaches to focusing on the role grantee institutions should play in managing grant funds if accountability is to be achieved and if freedom of scientific investigation is to be maintained:

1. *Delineation of the nature of the grant relationship*.—It is of key importance that we spell out for both grantee institutions and our own staff the basic elements of the grant relationship. We have attempted to do this quite formally in the "Preface" to our recently issued Research Grants Manual.

It is stated therein that under the terms of the grant, the institution and individual concerned enter into a very special relationship with the Public Health Service for the utilization of grant funds. A grant represents a mutual joining of interests on the part of the grantor and the grantee institution in the pursuit of a common objective, in contrast to a contract, wherein the Government lays down the specific terms and conditions and requires a specified end product.

In the grant relationship the grantee assumes with the granting agency the obligation to act in the public interest in achieving the common purpose. This is a relationship of trust which imposes upon the grantee the responsibility:

(a) To assure that the grant funds are utilized for the purpose for which they were given.

(b) To exercise the same probity and prudence in their expenditure that is extended to the use of the grantee institution's own funds.

It is to these broad obligations that a recipient of a Public Health Service grant is accountable. These terms, however, impose a broad responsibility on the Public Health Service to assess the adequacy of the administrative practices and mechanisms employed by the grantee to assure, in general, the conditions of prudence and, specifically, conformity with the terms of the grant and established policies and regulations.

An examination by Public Health Service staff of the administrative processes, controls, and mechanisms utilized in the expenditures of grant funds will be part of the continuing overview of Public Health Service grant programs in the further administration of these programs.

As a final point of understanding, it is emphasized, that in the absence of express Public Health Service policy or guidelines, the principal investigator or program director designated in a Public Health Service grant must act in conformance with the policy and administrative practices of his institution.

2. *Coordination of our efforts with universities and university associations.*—In 1962, we held a formal series of meetings with the deans of medical colleges from each region of the country to discuss with them and seek their advice on the problems that currently exist in administering grant programs and to inform them of the steps we are taking to solve these problems. A similar series of meetings is being held in January 1963, the primary purpose of which is to elicit from grantee institutions comments and suggestions relating to the Grants Manual.

In September 1962, we entered into a contract with the Association of American Medical Colleges wherein they are independently: (1) Studying the present administrative policies and practices of medical schools; (2) comparing these policies and practices as between schools and also with administrative policies and practices as they are being applied in nonacademic institutions, private businesses, and certain areas of government; (3) organizing workshop discussions of representatives of each medical school and invitees from nonacademic institutions, private businesses and government to the end that the administrative and fiscal problems peculiar to medical schools can be identified and ways and means found for their solution; and (4) preparing a report that can serve as a guide to those medical school administrators who may wish to use it as a point of reference for improving their administrative and fiscal policies and practices.

On a continuing basis, we are in touch with and seeking counsel from university officials from all our grantee institutions on their problems, **their proposed solutions to these problems**, and the steps we can take to assist in solving these problems.

3. *Provide to grantee institutions policies, management assistance, evaluation and training.*—Greater responsibility for fund accountability can only be placed with grantee institutions if they have available to them a clear set of standards and guides which provide the basic ground rules for spending Government funds. To achieve this goal and also to make more orderly our own internal administration, we have formally codified our policy guidelines in the form of the Research Grants Manual. As we have previously stated, of particular importance is the preface to that manual which sets forth the basic responsibilities of the grantee institution for administering its grant funds and also reaffirms the basic principles of scientific freedom within which these guides will be administered.

In transmitting this manual to grantee institutions, we have asked them to submit to us a formal report of the steps they are taking and the systems they intend to follow to carry out the guides laid down in the manual.

Two other steps which have been taken which will provide grantee institutions with codified and uniform standards are: (a) The publication in the Federal Register of the first formal set of regulations on research grants, and (b) the development of a grant brochure which will permit grant investigators and grantee institution officials to refer to one source for a description of the content and eligibility requirements for all grant programs.

As noted in the succeeding section, we are also organizing a strengthened grants management component in the PHS which will have as one of its primary functions assistance to grantee institutions in the installation or strengthening of fund control systems and periodic evaluations through site visits of the effectiveness of these systems. We also plan to establish a series of field installations which can give more effective help on the scene to investigators and grantee institution officials and handle problems cooperatively with them. Finally, we are planning at a later date to extend our internal training programs for grants administrators to selected administrative officials from grantee institutions.

C. Assure a more complete and orderly establishment of regulations, policies, and procedures pertaining to grants administration

Not only is it necessary to make certain that grantee institutions and PHS staff have available a clear set of policy guides and regulations, it is also essential that these guides reflect an orderly and carefully considered process of development and clearance. To this end we have taken the following steps:

1. *Establish a top policy review committee.*—An Interbureau Advisory Committee on Extramural Affairs (IACEP) has been established to review all proposed grant policies and to recommend action to be taken by the Surgeon General. No grant policies affecting more than one institute or division may be issued without the approval of this Committee. Its membership includes the Grants Policy Officer in the Office of the Surgeon General as Chairman, one representative from each of the granting agencies of the PHS, and the Chief, Division of Research Grants, NIH, as Executive Secretary.

2. *Establish comparable policy review bodies in the PHS Bureaus.*—The NIH, Division of Community Health and the Division of Environmental Health have each established an Executive Committee for Extramural Affairs (ECEA). All grant policies affecting more than one PHS granting agency are reviewed by each ECEA before being submitted to the IACEP for review.

3. *Establish a Policy and Procedures Office.*—There has been established in the Division of Research Grants, NIH, a Policy and Procedures Office which has the responsibility for: (1) Preparing all draft grant policies for review prior to issuance; (2) determining what reviews are necessary before submittal to ECEA's; (3) preparing material for ECEA and IACEP review; (4) issuing all grant policies after IACEP clearance; (5) maintaining the grants manual; and (6) providing staff assistance to persons who wish help with the development and drafting of proposed policies.

D. Strengthen our own internal grants organization, staffing, and procedures

We are mounting a number of major undertakings to accomplish the objective of strengthening the ability of the PHS to administer its greatly enlarged extramural programs. These steps include:

1. *Identify and strengthen the grant policy coordination role of the Office of the Surgeon General.*—On January 2, there was formally established and filled in the Office of the Surgeon General a top-level Grants Policy Officer position to provide a PHS focus for coordination of grants policies. It is expected that staff will be appointed to assist the Grants Policy Officer. The establishment of this central PHS function will permit the Surgeon General's Office to provide full-time policy guidance in extramural affairs and to have a focus for resolving questions of an interbureau nature. It also permits the Division of Research Grants, NIH, to continue as the single grants manager for the entire PHS, since its operating function can now be isolated from those policy direction matters which are more properly performed at the OSG level.

2. *Identify and strengthen those grants management functions to be performed (1) on a centralized basis by the Division of Research Grants for the whole PHS, and (2), on a decentralized basis by the PHS Institutes and program Divisions.*—Two major studies have been completed which recommend the division of grants management functions between a central PHS component (DRG) and the PHS Institutes and program Divisions. These studies also describe the organization and staffing measures which need to be taken to strengthen performance of these functions. An organization order will be issued shortly by the Surgeon General to direct the Bureaus to put these recommendations into effect. The impact of these recommendations will be to concentrate DRG's grants management functions on the development of overall grants management policies and guides and on assistance to grantee institutions in the development of fund control systems and general oversight of these systems; and to place

with Institutes and Program Divisions the responsibility for administering individual grants and specific programs. These efforts will also lead to the establishment of grants management components in those Institutes and Divisions which do not have them and to considerable additional top-level staffing in DRG and the institutes and Divisions for both professional and administrative management.

Steps to strengthen our staff have in fact already been taken. Among other actions, we have recruited five grade GS-14 administrators in our central DRG grants management component and established and filled top-level grants management positions in several of our categorical institutes. The creation, last July, of a new Division of Research Facilities and Resources was also an important step in increasing our management capabilities in a major segment of our grant programs.

3. *Perform certain grants operations on a dispersed basis.*—A full-time PHS study team will soon begin work to establish a pilot grant field unit in the Boston area. This team is charged with developing both the logistics and the substance of a dispersed grant operation. They will work with grantee institutions to determine what grant matters can most profitably be coordinated from a PHS installation located near a complex of university centers and what the relationships would be between the universities and the field installations. They will also work with all PHS components to determine the proper organizational location and staffing of such a unit and its relationship to the Washington-Bethesda operation. The study team will, in addition to its study responsibilities, locate in Boston and operate as an actual pilot unit. Following establishment of this unit, it is our intention to establish similar dispersed grants units in selected geographic areas in which PHS provides major research support.

4. *Strengthen our grant audit operations.*—Our grant audit operations will continue to act as an important instrument through which the Government receives assurance of the effectiveness with which grantee institutions are carrying out their fund control responsibilities. We have transferred our grant audit section from our grants review and management organization to the Office of the Director, NIH, in order to assure further independence of grant operations on the part of our auditors. We are also devoting concentrated attention to strengthening both the staffing and procedures of our audit operations. These steps are greatly aided by the availability for the first time in codified form both of formal regulations and of a grants manual. It is possible that these audit operations will be part of the dispersed grant units discussed above.

We are also in process of establishing a comprehensive management audit function in the Office of the Director, NIH, which will have as one of its functions a regular review of our internal grants management operations.

5. *Strengthen our processes of making the initial review of grant applications.*—Procedures have been developed to revise grant application forms to provide more information about the investigators' resources and requirements; provide a check list of items to be reviewed with respect to grant budgets and scientific information; require more detailed documentation of information gained on site visits; improve information provided advisory councils through summaries of study section actions; and develop special measures to provide a common source for the compilation of information about grantee institutions and investigators.

6. *Provide more highly trained manpower.*—Special steps have been taken to assure that more highly trained manpower is available to administer grants both within the PHS and in the grantee institutions. We have a number of formal training programs either underway or in final planning stages.

(a) A grants associate program has been started to prepare selected scientists (not currently working in the grant field) for positions in the administration of grants.

Ten such persons are currently participating in 1 year of diversified professional training and experience in key grant and award programs and attending a series of seminars on public science policy. Upon completion of the program, these grants associates will be available for permanent assignment to a wide choice of program areas as a Science Administrator. A special Grants Associates Board oversees this program.

(b) The Division of Research Grants in January began a series of seminars for training of grants management personnel. The first series is attended only by PHS grants management people, but it is planned to extend the training to grants administrators in grantee institutions. These

seminars, which run for 2 weeks—with 5 half-day sessions—are designed to train grants personnel already on the job intensively in grants concepts, regulations, and policies.

(c) A special training program is being planned to provide on-the-job training and career planning for PHS scientists working in the extramural field. This program will be directed toward broadening the acquaintance of our professional scientists with public science policy, granting programs of other agencies, and career possibilities throughout the extramural programs of the PHS.

(d) A 2-day orientation seminar was held last October for all new advisory council members and will be held annually from now on in July.

(e) Special training and orientation programs have been instituted on a regular basis for all study section executive secretaries.

E. Delineate more clearly the executive and advisory functions in the planning and direction of grant programs

In the rapid growth of our highly complex extramural programs, a high degree of dependency has been placed upon the advisory councils and other external consulting and technical groups. Although such groups have served, and will continue to serve, a vital and important role, we must exercise care that this involvement does not obscure the important distinctions that must exist between the executive and advisory process in the direction and administration of Federal programs. To assure that these distinctions are recognized and strengthened, we have taken the following steps:

1. *Establish more formal internal focal points for program planning.*—NIH institute directors and program division chiefs, at the NIH Director's request, submitted formal plans for strengthening their program analysis and planning activities, with particular emphasis on strengthening their staff resources for program planning, on developing the kinds of information required for effective evaluation of program activities, and on providing the analyses and assessments essential to sound program and policy determinations. All institutes and divisions have now appointed a top-level staff member with the basic responsibility for program planning and analysis, and these persons are meeting regularly with the Chief, Office of Program Planning, OD-NIH, to evaluate and assess program plans.

2. *Delineate more clearly the role of advisory councils.*—Discussions are being held with each of our advisory councils and a staff document is being prepared directed toward (1) delineating more clearly the role of advisory councils, and (2) suggesting procedures to enable the councils to complete their work more effectively. Our objective is to emphasize the role of councils in assessing current and future program planning and decreasing the time spent by councils in reviewing individual applications or in commenting on administrative policies and procedures. In line with this objective, we are increasing our own staff preparation of materials for council review and providing the councils with material presenting for their consideration specific programs relating to selected grants. We are also developing policies and procedures to enable PHS staff to negotiate precise budget amounts for grants recommended by the councils.

This description of the background and status of our efforts to improve our administration of our research grant and training programs can perhaps be summarized through the following key points:

First: We are involved in a new set of relationships in our grant programs. We are no longer merely one among many who support individual research investigations. Our programs have grown so significant on the national scene—both in dollars and in types of support—that we now provide the major source from which medical research derives.

Second: This fact imposes additional responsibilities both upon us and the recipients of our funds to assure that these resources are used with prudence and with a specific concern that they are spent for the purposes for which the funds were granted.

Third: We need to continue to explore the measures followed to administer these funds by both the Government and grantee institutions to make certain that they are adapted to this changing situation, and that we can account for the use of these funds to the public which has provided them.

Fourth: Perhaps, most important, we must make these administrative adaptations in a manner which preserves the essential need of the investigator to pursue his research in a climate of free investigation and at the same time give clear assurance of proper stewardship in the advancement of sound programs in support of the Nation's vital research effort.

Mr. FOGARTY. We certainly find no fault with any legislative committee looking into these areas. We think it is a good idea. If something wrong shows up, we want to see it corrected.

Are you satisfied that any weaknesses revealed by the Fountain committee have been rectified?

Secretary CELEBREZZE. They either have been rectified, or we are still working on them. Sometimes, Mr. Chairman, when recommendations are made, it is not an easy process to put the machinery into motion at once. We at the Department have always felt that we like to receive suggestions, and even if it is in the nature of criticism, we don't feel as though we have exclusive right to all the brainpower. I think good suggestions from Congressmen, suggestions from outside groups, give us an opportunity, at least, to evaluate our operations because we may be seeing it from an entirely different point of view. When you get all of these reports in, these suggestions in, you study them, and I think you are in a better position to make a sound decision.

Mr. FOGARTY. Do you think the Fountain committee is satisfied with the progress that has been made?

Secretary CELEBREZZE. On that, Mr. Chairman, I don't know. You would have to ask Congressman Fountain. I have had the pleasure of serving with him on the Inter-Governmental Relations Committee. He was a member at the same time I was a member. I found Congressman Fountain to be a very constructive and sound individual in his thinking.

PROPOSED PROGRAM TO INCREASE SUPPLY OF NURSES

Mr. FOGARTY. I noticed in a report recently that:

HEW will release a long-overdue report by a group of experts making sweeping recommendations as to Federal responsibilities for increasing national supply of professional and practical nurses.

What is this all about?

Secretary CELEBREZZE. That report came in about 3 weeks ago, as I recall it. We are now in the process of analyzing and in the process of preparing legislation to implement it.

Mr. FOGARTY. Do you need legislation?

Secretary CELEBREZZE. Yes. We have tremendous shortages of registered nurses in this country.

It is not attached to the health provisions bill because at that time we did not have the report.

Mr. COHEN. The report should be issued publicly very shortly, Mr. Chairman, but all of the major recommendations that they made is in this new legislation.

Mr. FOGARTY. It is not an easy job for the Government to train professional nurses, is it? We have had that experience during the war.

Secretary CELEBREZZE. We are not talking about the training of professional nurses by the Government any more than we are talking about training doctors or dentists by the Government. What we are talking about is helping the professional schools in nursing become established, and in helping the students get training.

Mr. FOGARTY. That is right. I put the wrong—

Mr. COHEN. There are two major aspects. One is the construction of facilities, and the second is student financing assistance.

Those are the two big parts that the recommendations would have to go into.

Mr. KELLY. There are two aspects, of course, included in this budget, for which you have had very substantial support: The training of graduate nurses into specialists, after they have finished nursing; then, under the vocational educational program, the training of practical nurses, but there is no legislative authority for either the development of facilities or the support of training programs for students in nursing, itself.

Mr. FOGARTY. Do you anticipate making some recommendations in this area?

Secretary CELEBREZZE. Yes, we do, Mr. Chairman.

REORGANIZATION OF PUBLIC HEALTH SERVICE

Mr. FOGARTY. In the President's health message he recommended legislation to establish new bureaus in the Public Health Service. From looking at your justifications under "Bureau of State Services management fund," it looks like you are almost doing through the back door what you haven't been able to get through the front.

Just how far have you already gone in setting up this new organization?

Secretary CELEBREZZE. As you know, Mr. Chairman, we are in the process of some reorganization in the Public Health Service, including its Bureau of—is it State Service?

Mr. MILES. Bureau of State Services.

Secretary CELEBREZZE. Yes. Shifting from a Bureau of State Services to a Bureau of Community Health and Bureau of Environmental Health.

As you recall, there was a study group on the mission and organization of the Public Health Service in June of 1960, requested by the Surgeon General, and there has been a reshuffling of the organizational grouping within the Bureau into those concerned with community health on one hand and environmental health on the other.

Mr. FOGARTY. If you are going to do it this way, why do you need legislation?

Mr. KELLY. We have gone as far as we can go under existing law.

We have all of the environmental health programs in a series of appropriations, all community health programs in a series of appropriations, and the Surgeon General has made the Chief of the Bureau of State Services primarily responsible for all of the environmental programs, and the Deputy Chief primarily responsible for all the community health programs. It is true, we have gone a long way toward carrying out this recommendation, but the law—and it is a strange law; very few agencies any longer have this kind of restrictive legislation—states that there shall be a Bureau of Medical Services, a Bureau of State Services, a National Institute of Health, and a Bureau of the Surgeon General. At that time, the Public Health Service was a much smaller organization. It had far less responsibilities than it has now, thus authority is being requested to permit the Surgeon General to make organizational changes in the Public Health Service, with the approval of the Secretary. This would take into account this growth and expansion, and this area now under the Bureau of State Services, it is felt, is entitled to have two bureaus in status both reporting to the Surgeon General.

KREBIOZEN

Mr. FOGARTY. It has been brought to my attention, Mr. Secretary, that you have krebiozen troubles again.

I thought 7 or 8 years ago, this was going to be straightened out, but almost every year something controversial comes up concerning it. I thought firm commitments were made with the Cancer Institute, to carry out a thorough, impartial evaluation. For some reason or other, I am told, these people at the last minute, did not cooperate.

Why have you turned the job of evaluating this over to the Food and Drug Administration?

Mr. CELEBREZZE. Under the new drug regulation, the Food and Drug Administration will have to pass on the qualities of that particular drug—in this case, krebiozen—will have to evaluate what they say it will do.

Previous to this year, we did not have that power. It comes under the new regulations; but one of the main difficulties, Mr. Chairman, has been the utter lack of cooperation between Dr. Ivy, and—what is the name—Dr. Derevick, who have had this thing on the market. They have refused to give the Department the necessary information upon which we could make an evaluation.

In September of 1961, for example, they furnished the National Cancer Institute, the experience with krebiozen in the hands of physicians to whom the material had been supplied, by the owners, for research purposes over a 12-year period. This information was on approximately 4,000 cancer patients. It was offered for study as a basis for the design and conduct of organized clinical tests, intended to produce definite results.

The results of the Institute's analysis of the report were transmitted to the Krebiozen Research Foundation in March of 1962. The Krebiozen report was found to be inadequate from a scientific viewpoint, and a detailed analysis of the material submitted did not offer sufficient basis to proceed with studies on patients.

Also, the National Cancer Institute requested additional information on the nature of krebiozen and on the two series of patients summarized in the report.

The Krebiozen Research Foundation did not supply the additional information required but suggested that the Government assist in obtaining it from various sources, and this suggestion is being followed by the Food and Drug Administration; the Division of Biologic Standards of the Department of Health, Education, and Welfare, has also assisted in the investigation of this drug krebiozen.

They have been requested by the Department to cooperate by identifying the patients that were given this drug; the physicians and hospitals involved in the cancer cases claimed to have been helped by this treatment. The National Cancer Institute will be called upon to assist in the investigation, in the evaluation of the clinical information to be collected.

Now, in addition to this, there is a lawsuit pending. It is a private lawsuit; but the judge has held up making any ruling on the lawsuit and asked the Institute to try to determine and to evaluate what the accomplishments of this drug, krebiozen, is.

The Institute again, for the same reasons that I just stated a moment ago, stated they were not able to get the necessary information from the krebiozen people upon which to make an analysis and as a result, they are unable to inform the court on it but I think, as you read the complete history of this case, which has been going on for some years now—

Mr. FOGARTY. It has been going on about 10 years.

Mr. CELEBREZZE. There has been absolutely a lack of cooperation. It was not until we passed the new drug regulations last year that we had the power to get the necessary information, even though we have to go out sometimes, and do it the difficult way, by ferreting it out ourselves.

We are on top of it, Mr. Chairman, and I am hopeful that we can bring this to a conclusion one way or the other, as soon as we make that analysis.

Mr. FOGARTY. I hope so, too, because people get desperate and are willing to pay for anything that might possibly help. If it has no more effect than giving a patient a glass of water, as some have claimed, then the people ought to know about it.

CONSUMER PROTECTION

Can you tell us a little bit more about the departmental Committee for Consumer Protection? What is it? What does it do?

Mr. CELEBREZZE. Of course, that facet of the Department, consumer protection, is a large one. That has to do with packaging in a degree, and seeing that the product that you are paying for will do, actually, what the manufacturer of that product is saying it will do.

I think one of the elements in the new legislation which deals with cosmetics, is primarily for consumer protection. We have cases now, actually cited to us, of certain rinses that women are using, and their hair is falling out as a result. In others, it has caused partial blindness; in some instances perhaps total blindness. It has caused skin rashes and other reactions and we are asking Congress now for legislation to deal with labeling and consumer protection.

This is something else that I think was introduced in Congress in the past years, and was not passed, and on that factor, I would like to refer the question to Mr. Cohen.

Mr. FOGARTY. Why couldn't this be done by the Branch of Consumer Education and other parts of the Food and Drug Administration?

Mr. COHEN. I think both questions go together, Mr. Chairman. We found that the Food and Drug Administration did have a function with respect to consumer interest that related to the Food and Drug Act, but there are lots of other things in the Department that relate to the interest of the consumers; such as the price of voluntary health insurance, the question of hearing aids, which is a matter of vocational rehabilitation. The question of various other medicines and problems that rise through the Public Health Service. The question of problems of rent and other factors that relate in connection to old age assistance; the drugs being used by people under old-age assistance.

It is for that reason that we decided to create an intradepartmental committee in which the Food and Drug Administration and its Consumer Education Branch will play a significant role but the fact of

the matter is that consumer protection interests are much wider in the Department than just the Food and Drug Administration. What we were trying to do, is to set up a committee representing all of the people in the Department, and the executive secretary, I believe, of the committee, is a woman who is in that particular branch that you mention.

The idea here is to broaden the concept of consumer protection to see that we have a coordinated and comprehensive program for the whole Department.

Mr. CELEBREZZE. Our main objective though, in the new legislation, is primarily related to cosmetics at this particular time.

Mr. COHEN. Except that function goes exclusively to the Food and Drug Administration. Now, these other aspects of the problem are not within the Food and Drug Administration. We thought there should be a better coordinated attack on this whole problem.

Mr. LAIRD. Are members of your staff on this committee, too?

Mr. CELEBREZZE. This is my own staff committee, where I appoint people from the various agencies to coordinate their problems. This was established a year or two ago.

Mr. COHEN. About a year ago?

Mr. CELEBREZZE. About a year ago.

Mr. LAIRD. This is intra?

Mr. CELEBREZZE. That is intra.

Mr. LAIRD. How many intracommittees do you have?

Mr. CELEBREZZE. That is the only one I have. We have regular staff meetings, which are in the nature of bringing all your agency heads in and discussing all the problems.

Mr. COHEN. We have, maybe, somewhere between 5 and 10 intra-departmental committees for different subjects.

GALLAUDET COLLEGE

Mr. FOGARTY. Mr. Secretary, how is everything going out at Gallaudet College? Have you been out there?

Mr. CELEBREZZE. No; I have not been out there. We made some significant progress out there. That is the school for the deaf, for not only educating the deaf, but also producing teachers to educate the deaf, and so far as I know, the procedures out there have been rather satisfactory. They have had the same basic problems that any educational institution has. Questions of expansion; questions of curriculum.

Mr. KELLY. Last year, you were somewhat concerned about the adequacy of the food service out there. We just made a change, where the college has entered into a contract for the operation of its total food service, and the last I heard, they were very happy with the results of the change.

Mr. FOGARTY. During the last several months I received letters from several of the alumnae. Some were critical of the administration of the college, and some were defending it.

The National Association for the Deaf, in July of last year, passed a resolution:

Resolved by the National Association of the Deaf in convention assembled, That grave doubt exists concerning the progress at Gallaudet College respecting admission standards, training of college teachers, salaries of teachers, the

image projected concerning deaf persons and their sign language; we, therefore, urge the Board of Directors of Gallaudet College and the Secretary of Health, Education, and Welfare that these matters be reviewed by competent persons, including qualified deaf people, with a view to necessary corrective action and the provision of a sound base for the future of Gallaudet College and accordingly, for the American deaf, and be it further resolved that the Chairman of the Gallaudet College Board of Directors and the Secretary of the Department of Health, Education, and Welfare be advised of this association action in writing; and

Whereas the National Association of the Deaf feels that cooperating member associations are in the best position to initiate action on the State level * * *.

I thought I would bring this to your attention. Now, this is what I was reading from, if you want to take a look at it.

Mr. CELEBREZZE. This is a fine institution. The only connection with the Department is that the Secretary of Health, Education, and Welfare has been a member of the board of trustees. The Department has no say in the internal functioning of the college. That is run by its own board of trustees, but the general concept seems to be that this is a university run by our Department, which is not true at all, and we have no authority whatsoever to interfere with the day-to-day operations of the college.

We have very limited authority over it and as I say, the only connection between us and the college is that I am designated as a trustee with the power to delegate, and I have delegated that power to Mr. Jones.

We do try, through the Office of Education and through other means, to be helpful in an advisory capacity, to them.

With my representative on the board of trustees, we go over the review; we go over their budget requests—as a member of the board of trustees, not as a Government official.

Mr. KELLY. In the review of their budget, I would like to observe three things with respect to it, if I may, Mr. Chairman.

(1) That the criticism of the salary levels paid at the school does not seem to me to be warranted. As you know, we did select six representative excellent small colleges as the base for determining comparable salary level, and the Congress has kept the faculty salaries at Gallaudet abreast by making a comparability study about once every 2 years. This appears to us to be a good salary structure. The college is well pleased with it and they have not had difficulty in getting people.

Another complaint which is made, is the emphasis on the sign language. While I am not familiar with that, I am familiar with the extent to which over the past 10 years, we have increased the budget, and the emphasis in the techniques of hearing. You recall a speech and hearing building has been constructed out there, in which they have the latest equipment. They are doing extensive research in the field, and every student in the school is getting the benefit of it.

Third, as you know, the results of this committee's action in increasing both the support of the institution and the facilities for the institution, has resulted in it being an accredited college for the first time. It will come up within the next 2 years for reexamination of its accreditation and I know that the college is bending every effort to make that reexamination result in a full accreditation.

Mr. FOGARTY. I have had letters in defense of the institution, also. I have had comments from both sides.

GRANT TO ASSOCIATED COMMUNITY TEAMS, INC.

Now, there has been some publicity given recently to one of your grants in both the House and Senate. The grant was made to the Associated Community Teams, Inc., that was alleged to be for the establishment of a Domestic Peace Corps. What is this all about?

Mr. CELEBREZZE. Mr. Chairman, under the juvenile delinquency program, moneys were appropriated by the Congress to go into certain areas of this country and make grants and participate in studies of the high juvenile delinquency rate.

May I say, as a preface to the necessity for these types of programs, that the juvenile delinquency rate in this country went from 280,000 in 1950 to 820,000 in 1960 and the important part of this is that the greatest portion of that is in the age between 10 and 17 years. In 1950, 16.1 youths per 1,000 of those between the ages of 10 and 17 were delinquents. In 1960, that doubled itself. So I don't think that there is much debate over the necessity of this type of program. The Associated Community Teams, Inc., filed an application for a grant of \$250,000.

While the HEW has the final decision after having been advised by its advisers, this is another program that involves three departments, the Attorney General, the Labor Department, and the Department of HEW.

We made a grant of \$250,000 to Associated Community Teams, Inc., on August 1, 1962. As a matter of fact, Mr. Chairman, I think this was one of my first official acts when I came into office; I came in on July 31. A grant of \$250,000 was made to Associated Community Teams on August 1, 1962, under the Juvenile Delinquency and Youth Offenses Control Act of 1961.

The ACT grant is one of 30 training grants made under this program to date. And as in all such grants, the approval of the ACT application was recommended by a nongovernmental technical review panel comprised of eight members representing the fields of education, sociology, delinquency, rehabilitation, and related areas. On the basis of this recommendation the grant was approved by the members of the President's Committee on Juvenile Delinquency and Youth Crime, the Attorney General, the Secretary of Labor, and the Secretary of Health, Education, and Welfare.

ACT was incorporated by Congressman Powell and his associates. The board of directors comprises some 25 persons, including Mr. Powell and a number of individuals representative of the leadership of the Harlem community.

The ACT program will train volunteers. It will train college students for the most part to work with youth in the Harlem district, which is one of the highest delinquent groups in the country. The first group of volunteers actually started work this month.

The primary purpose of the grant is to develop and test new methods of training volunteers for service in areas with a high prevalence of juvenile delinquency.

Although the ACT staff made the decision to call their volunteer program the Domestic Peace Corps, the project has no connection with the proposed National Service Corps we are talking about. This is just a name they chose themselves.

Now, the ACT training project is being closely coordinated with work by another association in that area known as the Harlem Youth Opportunities Unlimited, Inc. This is a Harlem group which received a \$230,000 grant to plan a broad delinquency prevention project for central Harlem. Twelve Harlem leaders serve on the board of directors of both projects.

At the end of 18 months, the two groups will merge to carry out a single demonstration project in the central Harlem district. No commitment had been made by the Department beyond the present 1-year grant that has been made to ACT.

Accounting reports on projects under this program are required to be filed at the end of each year's experience, or 3 months after expiration of the grant, whichever comes earlier. An audit initiated on January 8 is being conducted at this time on the grant issued to ACT. This is a part of the interim audit to be conducted on all projects for which grants have been made to date.

There has been a great deal of discussion on the fact in newspapers, and there has been inquiries of my office through Congressmen and Senators, and we have furnished them whatever information we have on it. With regard to the salaries being paid, salaries that staff are being paid are consistent with salaries that are paid professional staff with comparable qualifications on similar short-term projects.

There has been questions raised that we are renting space from the Adam Clayton Powell Community Center, Inc.

The space was rented by Associated Communities Teams, Inc. (ACT) on the basis that it was conveniently located, adequate floor space, available at a rental figure well below the appraised value on it.

Now you may ask what is the value of the ACT program in this section of our country where delinquency is so prevalent? The fact is that we have to meet the needs for trained, skilled people to work with youth in areas of a high rate of delinquency.

The training grant was made to ACT because it was necessary to develop training material on the basis of actual community experience. On its board, there are two university professors serving as consultants.

You might say: Why don't you send them to a university and make a grant to the university to train these people? Our objective in this program was that it is necessary to train on the basis of actual experience in this field. For this purpose, two university people are serving on the board: Dr. Jean Noble of the University of New York, and Dr. Slavin of Columbia University School of Social Work.

That is the information we have.

Originally I believe, and the record will show, there was an application made by Congressman Powell with a group of other individuals, in May of last year. That application was withdrawn, and it was later brought in with this new type of program which seems to fit all of the essentials necessary for a grant of this type. As I say, it has gone through the natural course any other grant goes through before it goes before the committee.

They submitted their first application on May 15, 1962. At that time, the project director was Dr. Robert MacIver. The application was withdrawn after consultation with staff since it overlapped with another project in Harlem. The proposal was then redrawn request-

ing a grant to sponsor a central Harlem community development of, one, a Domestic Peace Corps, and two, an urban service corps program as an outgrowth of the Domestic Peace Corps.

The incorporators of ACT are five: Congressman Adam Clayton Powell; Livingston L. Wingate, associate counsel for labor management, Committee on Education and Labor; David D. Jones, deputy commissioner of correction; Jawn A. Sandifer, attorney, civic leader; and Jose Ramos Lopez, assemblyman of New York City.

The officers are: Mr. Andrew Tyler, president; Miss Evelyn Cunningham, secretary; and Mr. David Jones, treasurer.

That, Mr. Chairman, is the background on ACT.

I think, Mr. Chairman, that there has been a great deal of publicity on this matter, attacking the program.

I think the best judgment of a program is the results that will be obtained. I think that is what we are interested in.

Mr. FOGARTY. It had nothing to do with starting the Domestic Peace Corps?

Secretary CELEBREZZE. No. This was in no way connected with the Domestic Peace Corps. As a matter of fact, I had never met Mr. Powell at the time that the grant was authorized.

BUDGET RELATED TO PRESIDENT'S MANPOWER DIRECTIVE

Mr. FOGARTY. In your overall budget, you show a sizable increase in personnel. How does that tie in with the President's manpower directive?

Mr. KELLY. Mr. Chairman, I think the increased number of positions in the budget is a reflection of the increased work and responsibilities assigned to the Department, but I think that in trying to carry out the President's directive of emphasizing Federal manpower we had several accomplishments.

One, as we indicated earlier, with a few exceptions we did institute a 3-percent decrease in authorized employment and required that be carried out this year in order to conserve manpower. The 1964 budget reflects a continuation of this decrease. In other words, positions eliminated in 1963 are not financed in 1964.

As a matter of fact, the President pointed out, in his budget message, that there was a 5½-percent increase in productivity, that a 5½-percent increase in productivity was required of the old-age survivors insurance to carry out its assigned duties.

The Secretary has already issued orders requiring operating agencies to do three things with respect to all positions:

One is, at least once a year each position has to be reviewed by an administrative group at a higher level than the supervisor of the position to ascertain its necessity and to document why that position is required. And then any position that vacates during the year, either a new position or one that was filled and vacated because of resignation, death, or transfer has to be examined by an administrative level higher than the supervisory level to be sure that the job should be refilled, that there isn't some way of getting this work done without refilling the position.

And then we, of course, have worked on management improvements, ways and means of getting our job done with a conservation of staff. We will have, over a period of the next 18 months to 2 years, a savings of over 100 positions, simply because we have found a more economical

way to do payrolling. All of the employees will continue to be payrolled. We will do, we hope, every bit as effective a job, and we hope more effective, but we will do it with a conservation of manpower.

These are the kinds of things we are looking for. But this does not mean the Department of Health, Education, and Welfare can operate with a lower staff than it now has, because of the additional responsibilities and the additional functions which have been imposed on the Department and the program goals and program objectives which have been set forth as desirable and outlined in this budget.

PROBABLE CONTINUED EXPANSION OF DEPARTMENT

Mr. FOGARTY. Well, I agree with you and I think this overall budget is just like social security; that is to say, it is going to grow. It is not going to be cut back in the years to come. It affects the well-being of too many people in our country.

Secretary CELEBREZZE. Mr. Chairman, we have had an increase of 30 million people in population in the last 10 years. The fact is our growth now is over 3 million per year, so that in the next decade there will be 40 million additional people.

Science is making us live much longer; and these services will continue to grow.

Mr. FOGARTY. And it is more than just the increase in the population, don't you agree.

Secretary CELEBREZZE. I think we have to look at this, Mr. Chairman, from two points of view. One is the point of view that I have just expressed, because of the increase in population, and that will continue to compound itself because as you have a lower death rate, you live longer, as we produce more people, you are compounding. In that area I see no degree of leveling off.

Now, the other prong is that perhaps in our welfare field on dependency, there we can do something about it as we educate the people, as we retrain them. Now, if we do that type of job we have to be able to either level off or reduce expenditures in that aspect, and in that we make them self-sustaining.

Mr. FOGARTY. In the area of welfare I have not asked many questions because Mr. Denton, who is going to start when we reconvene this afternoon, knows much more about this field than I do, and I think he has quite a few questions about the welfare problems in the country. I just have one more subject to take up and I will turn the questioning over to him.

DELAY IN TRANSMITTING JUSTIFICATIONS TO COMMITTEE

The justifications for your budget are rather important to this committee in proceeding with the hearings to determine the proper funding level for the Department. They certainly should be here in time for members and staff to read them before the hearing, however, half of the justifications didn't arrive here until the 13th of February and all of them didn't arrive until the end of the day on the 18th, yesterday.

(NOTE.—It was subsequently found that part of the justifications were preliminary. The last of the final version was delivered to the committee March 15.)

Mr. FOGARTY. The Department of Labor got all of theirs up here just about a month before yours. Mr. Denton, who is on the Interior

Subcommittee, says that all of that Department's justifications were in the hands of that subcommittee about the middle of January. What is the problem?

Secretary CELEBREZZE. We have a great many problems on that area. First of all, we are much larger than the Department of Labor. Second, because of the number of programs we have, we have not only a review by our own staff but we have a review by the Bureau of the Budget, and we have many more items to go through. It is just at that period of the year we are just completely overwhelmed.

Mr. KELLY. This has grown to 20 volumes of material we present to you.

Mr. FOGARTY. I know it is getting bigger. Does that mean we may have to wait next year until March to start the hearings?

Mr. KELLY. We are trying to tool this a little better.

I think maybe we have been too conservative in the amount of staff we have requested in this area and they have taken on so many duties and functions that the Secretary has before you this year a proposal which is to establish within my organization an Operations Analysis Branch that will make and conduct special studies. Some of the kinds of assignments now given to the Budget staff they will do, if the Congress sees fit to go along, be assigned to this group that can make these kinds of special studies and analysis. And I would hope this would relieve the situation and that we could better meet the dates.

But I wouldn't want to lead you into a false impression as to how much better work we can do.

Our budget decisions, generally speaking, are not finalized as to what the President's budget is going to be until the third week in December. We, for a number of reasons, are almost always the last agency in the Federal Government to get the finalized decisions of the President as to what is going in his budget. Now, from the date those decisions are made, our staff, at every agency level, divisions, bureaus, et cetera, throughout the Department, have then got to put that in printable form for inclusion in the total President's budget and then develop these 20 volumes of justifications that we sent out to you. And it is a very time-consuming job, a very difficult job.

We feel if we had more time we could improve the quality of the performance that we do. And it has been a trying experience. Because of the size and expansion I think it is true that each year we have been a little later than the year before.

Secretary CELEBREZZE. Mr. Chairman, may I suggest to you in all sincerity that, as an administrator, it bothers me no end to have people working the number of hours that these gentlemen have to work. It is not only long hours during the day, but it is Saturday and it is Sunday.

Mr. FOGARTY. They should not work Saturday and Sunday.

Secretary CELEBREZZE. Well, we do work Saturday and Sunday.

Mr. FOGARTY. That's nothing to brag about. I wouldn't brag about it if I were you. I don't believe in making people work Saturday and Sunday. I do myself, but—

Mr. COHEN. We just don't have the help, Mr. Chairman.

Secretary CELEBREZZE. That is one of my problems. If you cut, I hope you won't cut us on additional personnel because I think,

in the long run, we will save money rather than increase our expenditures. I often said, if you work more than 9 hours you are just wasting your time because you are not as sharp as you were.

Mr. FOGARTY. I think an 8-hour day is plenty.

Secretary CELEBREZZE. When these gentlemen, including the Secretary, have to put in week after week, 12, 13, 14 hours a day, come down and work on Saturday and come down and work on Sunday because we do not have the proper staff, I think someone has to be hired to do it.

Mr. FOGARTY. I agree; if that is going on because of lack of staff. Congress ought to do something about it because I just don't believe in working people overtime, especially if they aren't paid for it. I never did.

Mr. COHEN. Mr. Chairman, my staff in legislation for the last 7 weeks has worked every Saturday and every Sunday except two in 7 weeks because of the combination of the appropriations and the legislative programs coming together. At this first period of time, the amount of overtime was tremendous.

Mr. FOGARTY. Maybe the administration ought to spread these legislative proposals out a little bit and try not to get everything at once.

Mr. COHEN. Either put the appropriations earlier or later.

Mr. KELLY. Some of the complexities that have been built into the problem, Mr. Chairman, are that, as you know, we have always appeared before a large number of legislative committees; we have in the House the Ways and Means Committee and the Interstate Commerce Committee, the Education and Labor Committee, as the three principal ones, and then we have relationships with others.

Now in appropriations we have reached the point where, in addition to the basic bill for appropriated funds for the Department of Health, Education, and Welfare before this committee, some of our appropriations now come from the Interior and Related Agencies Subcommittee, from the Independent Offices Subcommittee, from the Foreign Operations Subcommittee, and, of course, we have concern with the Deficiency Subcommittee, so that we have to prepare material for five subcommittees on appropriations. And these are making the problem much more difficult.

Mr. COHEN. But you see, Mr. Chairman, it isn't simply when the messages or the bills come up. The whole question of bringing on the legislative proposals and pricing the additional costs comes exactly at the same time with the regular budget. As Mr. Kelly said, in that December period when he is doing the regular budget, my staff is doing the legislative proposals. We both have to do the pricing together, we have to do the specifications of the program together. They both come exactly at the same time, using much of the same staff. And we are just not equipped to do it.

Mr. FOGARTY. I understand it is a real problem.

Mr. Secretary, we will recess until 1:30, and I assume you will be pleased to know that you won't have to listen to me.

Secretary CELEBREZZE. Mr. Chairman, may I say I wish I were as well versed in these matters as the Chair is.

Mr. FOGARTY. I think you are doing very well, Mr. Celebrezze.

Thank you very much. We will come back at 1:30.

AFTERNOON SESSION

Mr. LESINSKI. The committee will come to order.

In order to expedite the hearings, since the Chairman has another meeting he must attend, I have a number of questions to ask of the Secretary.

First of all, I want to take this occasion to give credit to the President of selecting a man knowledgeable in the ways of the people of the Nation and I commend him in the selection of Mayor Celebrezze to the position of Secretary of Health, Education, and Welfare.

In your testimony some of the questions I have go back to questions asked by the chairman, but I also have concern of many of the things that are going on.

First of all, I believe the last question that was asked of you was about your request for additional help in getting your legislative program through and also your appropriations and coordination.

The thought occurred to me that possibly you might take membership from the other part of the agencies to assist you during the rush period.

As I understand it, this is not possible because your operation is practically on an annual basis although the peak could be around December and January and that you could be saving money if you had this additional help. It was brought to the attention by the chairman to you, Mr. Secretary, regarding the criticism of your agency.

I received the same thing not from any Member of the Congress, but people directly working in the agency and that is the fact that you have been given too much money in an actual investigation and so forth.

The thought occurred to me along this very line that if you established—although you did mention a task force—in my time in Congress here on the committee of the Post Office and Civil Service Committee, it was constantly with civil service employees, that they tend to build up their own empire, and if you yourself, appointed a number of people known only to you to check into all these sections of the other agencies and report to you prior to any further action it would be a proper thing to do.

It amazes me that you got close to a billion dollars in various research projects.

FUNDS FOR CANCER RESEARCH

I can't understand why you need \$154 million on cancer and then come for funds under the general research services of the NIH. Doesn't there seem to be a certain amount of duplication and a large number or amount of funds for cancer itself?

Secretary CELEBREZZE. No, Mr. Chairman. That is not true, that it is too much for the National Cancer Institute, when you take into consideration that as was brought forth by the committee yesterday that cancer is the No. 2 killer in the country, only exceeded by heart disease. You must remember, too, that in the area of cancer research there are various degrees and various elements in the total program. You may find a cure for one aspect of cancer, but still be unknown in other areas. So it is a tremendously broad field and it is a costly field.

If you are going to maintain the type of program that has to be maintained for the purpose of eventually finding these cures, it is necessary.

I wouldn't say that the National Cancer Institute is overfinanced.

I do say that the breadth of the program in which they are engaged, the tremendous amount of work that is involved in not only the work that we are doing at the National Institutes of Health, but the work in the private agencies such as the American Cancer Society, which is a private organization doing research also in this field.

But basically it is because of the breadth of the things involved in cancer. You may determine a cure for one element of the cancer problem and still there are many other elements involved.

There is cancer of the different organs. So based on that I wouldn't say they were overfinanced. Again, as I said yesterday, if you have lived with the problem—I get many complaints to the reverse—of people who have lived and visited the cancer hospitals—that we are not spending enough.

On the other hand, people who have not lived with the problem say you are spending too much. So it is a matter of judgment.

Mr. KELLY. I wonder if I could say, Mr. Lesinski, this question of of staff versus the amount of money, that the preponderance of this \$145 million does not go to support Federal staff in this area. In this total there are 450 people and this includes the people engaged in research at the NIH. Of that amount, \$65 million goes out in the form of research grants. This is where a principal investigator is associated with a university or nonprofit institution and applies for Federal help and \$17 million of it goes out in the form of fellowships and training grants for the development of scientific manpower.

Forty-two million dollars goes out in the form of collaborative studies including the cancer chemotherapy program, where a series of contracts are made to investigate specific compounds to determine whether or not they have anticancer properties.

I would guess that not more than \$15 million actually supports Federal activity carried out with Federal employees.

Mr. LESINSKI. The impression I had was the other way around.

I am not opposed to the program. The thing is, I would prefer to see a qualitative program rather than a quantitative program because sometimes in Washington the thinking is that you can solve a question with a dollar, which is wrong. The dollar has to be used judiciously to achieve the desired point that you want to get to.

SIZE OF DEPARTMENT'S STAFF

The remarks I get back from people, some who work in your very Department, you are overstaffed.

Secretary CELEBREZZE. Overstaffed?

Mr. LESINSKI. Yes.

Secretary CELEBREZZE. When I talk to the heads of the agencies, their opinion is to the contrary and I think that in any good sound organization you have to rely pretty much upon the top echelons of the total program rather than one segment. Because one employee may think that the employee next to him is not doing enough in that particular area and therefore saying they are overstaffed and when you look at the total program you may not feel that way.

It all depends who the employee is who is complaining. Many times there are personalities involved in these things and unless you can check those things all the way through, you don't get a clear picture of it.

Mr. LESINSKI. Remember this, though, Mr. Secretary, that the more—the larger the number of personnel under the individual's care, the higher the grade he goes into automatically and the more salaried he becomes.

Naturally, if he is of that nature he will not report to the contrary, simply gives you what he wants you to believe.

I recognize this, that in government there is this typical thing and that is why many Secretaries get exasperated down here because when you try to do something, all these people who are supposed to know what the score is tell you things that aren't so.

I suggest you form a committee only known to yourself to check into these matters and report to you directly.

WATER POLLUTION RESEARCH FACILITIES

There has been a request by the University of Michigan for funds for a water pollution study.

Do you know anything about that, Mr. Cohen, or Mr. Secretary, in the budget?

Secretary CELEBREZZE. Water pollution lab?

Mr. LESINSKI. I believe it is for a study only in water pollution, University of Michigan.

Secretary CELEBREZZE. Do you have it, Mr. Cohen?

Mr. COHEN. Under the Water Pollution Act of 1961 Congress authorized the establishment of a series of area water pollution research facilities.

I believe there were seven specified in general geographic areas, the Southeast, Midwest, and so on, and the University of Michigan did submit an application for the facility in the Midwest area and upon site visitation made by the Public Health Service, the Secretary did authorize the designation of a water research facility at the University of Michigan.

Mr. LESINSKI. I am glad to hear that because the city of Bellville and the surrounding area has a problem of water pollution.

Mr. KELLY. The funds for planning are already available for use. The funds for construction have not as yet been requested.

Mr. COHEN. There are two stages of this. Planning money and construction money.

Mr. KELLY. Congress gave us money for acquisition of land and architectural planning. This was shortly after enactment of the legislation.

In 1963 they gave us money for the construction of the first two laboratories.

AIR POLLUTION RESEARCH

Mr. LESINSKI. In mentioning air pollution, it is brought to my attention last year that the Chrysler Motor Co. has put out a turbine engine which has very little exhaust.

Have you gone into the study of carbon monoxide in automobiles?

Secretary CELEBREZZE. The Public Health Service is conducting experimentation in that. They have a citizens' committee of which the automobile industry is a part of.

Mr. LESINSKI. The point brought up was the fact that we are tearing up the car tracks here in Washington and in the meantime filling the air with fumes from the diesel buses and the Government is trying to correct that.

Secretary CELEBREZZE. They are trying to develop in the Public Health Service in conjunction with the automobile industry an exhaust or muffler, or an instrument which would reduce the amount of carbon monoxide going into the air.

They have developed and are using in some automobiles, as a matter of fact on the west coast, they are mandatory, an instrument or a gadget which you can put under your crankcase, and at least eliminate most of the oil fumes that come from the crankcase, but they have not perfected to the degree where it is completely feasible a similar device for the exhaust.

Mr. LESINSKI. The point that I was trying to bring out, they got an engine on the market already that does convert anything from kerosene to perfume including diesel oil and gasoline into power and the engine was demonstrated to us inside of a room in a hotel and with a minimum of fumes in that room.

This is something that I think would be very important to all of us if this type engine was used in place of a reciprocal engine.

The Federal Government has done many things in many areas. I am coming back to what I talked to you about earlier. We have had FHA, VA programs in the country which, of course, helped expand the home building industry and have allowed younger people to buy homes at a lesser rate of interest. This, in turn, has built up the suburban areas.

FEDERAL RESPONSIBILITY IN STATE AND LOCAL PROBLEMS

Today, there are problems of water in suburban areas that have come up, and of sewer and water. The populations of the big cities, you have had in Cleveland and we have had it in Detroit. Of all these problems that you have had, in these days you have been before us, the problem that bothers me, and I think I concur in, but the thing that bothers me is how far is the Government going to go into these problems?

Are you simply going to have your studies and let the cities take care of the problems or continue on with these problems at the expense of the Federal Government?

Secretary CELEBREZZE. There are certain areas, Mr. Chairman, which I think will be phased out in our effort and I gave several examples of them.

Mr. LESINSKI. Tuberculosis for one.

Secretary CELEBREZZE. Not on tuberculosis, but aid to the schools, teachers' salaries. That is phased out, aid to the impacted areas and that will eventually be phased out. There again we get to the basic question we were studying on the Advisory Commission in Intergovernmental Relations which was set up by Congress, I think, back in 1959 and of which I was a member.

Where does the responsibility of the local community start and where do they stop and where does the Federal Government start and stop, I can't give you the answer. We haven't quite come up with the answer.

In analyzing the problem, you must remember that as conditions change, responsibility of various branches of Government change.

For example, this occurs because of the mobility of the population. You know 30 million people in this country move every year. That doesn't mean they move across State lines. They move across the street. They may move out of the country. We are rather a mobile population, so what happens in State X in relation to State B, because of problems that are created and as a result of that problem, there is an overburden on another State.

You can only then go to that State and say, well, since we are one Nation, these problems transcend State boundaries and the Federal Government will come in and give you some degree of assistance on it.

Mr. LESINSKI. Mr. Secretary, I appreciate that because I know you covered that with the chairman's question the other day. The thing that bothers me again: Is it because of the tax cut in the Federal Government and the high amount of taxes that the Government is taking from the various States, they themselves have not the financial ability to take care of these matters?

I think it is the responsibility of the Government to help them but it is up to the States locally to take care of their own problems and, for instance, you have got over \$2 billion involved here and what could amount to almost a \$100 increase in exemptions for each person in this country of ours.

Now, the leadership is good. But now, how far are we going to keep on going? That's the question that I have in my mind because as the Government grows the cost increases and the less chance there would be for a Federal tax cut and the less ability the States will have to take care of their own problems.

Secretary CELEBREZZE. Of course, many of the problems the Federal Government enters into are the problems causing a great difficulty, financial difficulty in particular States and in particular cities. The problems of overcrowding, slums, the health problems. These are all problems which drain upon the resources of a community—the problems of having adequate education, the problems of juvenile delinquency. These are all things which drain heavily on community resources and with the assistance of the Federal Government, because of our vast research facilities as we have here at NIH, we find the solutions and we can assist in eliminating those, then basically the dollars that are being spent now on the local level can be diverted to other causes.

I gave—I don't know whether it was at this committee or another committee—I gave the example of one section we cleared in what we call the Longview area of the city of Cleveland which was the most rundown, slum-infested area of the city of Cleveland. Our costs in health, our costs in crime were high, and the amount of tax dollars we were getting from these dilapidated buildings was practically nil when we tore them down.

We rebuilt them with modern apartments. We found we not only had more tax dollars but our crime problems and health problems went down and also the delinquency problem.

So, therefore, from the additional money we got there we could start developing some other area.

So it is rather difficult when you say you are draining money from one State to spend it in another State and so forth.

I think before the Education Committee I was asked the same question. I say you drain money from the State of Indiana to build a dam in Wyoming. Why do we do that? Because we are one Nation.

It is the same on the local level. You have one ward or district which is poor. You have the higher income districts who pay the higher taxes.

For example, in most communities industrial and commercial interests pay the heaviest taxes, the greatest portion of the taxes.

They say they don't send any kids to school. Why should they pay for that? We are operating as a unit. This Nation is operating as a unit. You have to take from one State that probably has, because of geographic location, because of water conditions, because of many other conditions which gives them a slight benefit in training and development.

You take from that one State and invest in the other communities to build dams so you can make an arid community a producing one and therefore you start balancing off your completion of a total nature. We are one Nation.

Mr. LESINSKI. That is quite correct, but in the meantime, you are, by doing it by Government, you are getting an individual to do the same thing.

Secretary CELEBREZZE. Yes.

Mr. LESINSKI. Your large request for funds for research and development. You have got your cancer fund which you mentioned yesterday, these donations. Now, these have been voluntary.

Don't you think that there will come a day when people will say why should we give to this fund when the Government is going to take care of it?

Secretary CELEBREZZE. Let's take a look at that. The problem of health, and the figures for 1960. In all areas of health, education, and welfare we were spending \$95 billion—\$95 billion of which we were spending \$31 billion for health, but about 86 percent of that was coming from private resources.

We were—the Federal Government and State governments and local governments were only spending 14 percent of that. Now, your heavy expenditures come in the field of education and in the field of welfare. There the figures are just reversed. I think in the field of education there is only about 14 percent spent by private and 86 percent spent by government, Federal, State, and local, and I think that is self-explanatory.

In the field of welfare, about 16 percent comes from private sources, from your community chest, from similar drives, things of that nature.

But the balance comes from government at all levels. So that you see, we get back to the question that I answered yesterday, that this thing is still a partnership between cities, States, Federal Government, and private enterprise in order to accomplish what we are trying to accomplish.

It isn't all Federal Government.

MENTAL RETARDATION RESEARCH CENTERS

Mr. LESINSKI. Getting back to the thing you mentioned here, on page 9 of your testimony, the proposal provides for construction of 10 centers for research in mental retardation. Why start out with 10?

Why don't you put up one or two before you get the other eight?

Secretary CELEBREZZE. Because of the magnitude of the problem and geographical locations involved. We want to start these projects and call for a minimum of 10 in order to get the best results.

Mr. LESINSKI. There again is what I was driving at.

It is the responsibility of the Government to provide the necessary tools for the communities.

Secretary CELEBREZZE. These are in participation with States.

Mr. LESINSKI. With States?

Secretary CELEBREZZE. Yes. I would say almost all of the programs we are talking about are on a matching grant basis where the Federal matches State funds.

There are very few programs in which the Federal Government is doing it on its own. You have the Hill-Burton, which is on a matching basis, slum clearance which is matching, urban renewal which is matching. Most of these programs are on a partnership basis between State and local communities and the Federal Government.

Mr. LESINSKI. Two things, further. On this 50-mile hike, I think it is a mistake. It is better to do 1 mile a day, rather a week. It is difficult for you and I to be doing such exercise.

Regarding your Federal ownership of the buildings, I always advocated this, but I think it has become a problem. GSA in the construction of buildings puts on so much gingerbread that it oftentimes costs from two to four times as much as a conventional building.

It is a better building, true. I always advocated the Federal Government should construct its own buildings. One thing you have to watch is the gingerbread and decorations which bring the cost up terrifically which is way over what private construction is.

I believe Mr. Denton has a number of questions to put to you, Mr. Secretary, and I appreciate this very much.

ACCELERATED PUBLIC WORKS ALLOCATION

Mr. DENTON. One thing I didn't understand. Under the accelerated public works program, how much money was given to your Department and how was it allocated? You answered it but I didn't get it correctly.

Mr. KELLY. I have to locate it again.

There has been allocated to our Department, in terms of approved projects, \$87 million. And there are pending for further approval, an additional \$4 million of projects which, out of the \$400 million which has been appropriated, would make \$91 million of it go to the Department of Health, Education, and Welfare.

Mr. DENTON. How was that allocated between hospitals and others?

Mr. KELLY. We have approved \$42 million of that for hospital construction and \$42 million of it for waste treatment construction and \$3 million was for Indian health construction and \$135,000 in other costs.

We have pending approved projects adding up to \$4,410,000, \$2,150,000 in hospital construction, and \$2,150,000 for waste treatment, and \$110,000 for administration. Then the President has submitted a supplemental budget estimate for an additional \$500 million. Of that \$500 million the justification tentatively allocates \$112 million to the Department of Health, Education, and Welfare, \$54 million for hospital construction, \$54 million for waste treatment, and \$4 million for Indian health.

RECREATION

Mr. DENTON. What are you doing about recreation?

Secretary CELEBREZZE. General recreation? As we stated earlier—

Mr. DENTON. I heard an awful lot of that this week in another department. That's why I am asking you what you are doing.

Secretary CELEBREZZE. What we are doing in HEW for recreational purposes?

Mr. COHEN. We have two or three lines of interest that we are concerned about in working with the Interior Department.

First, we have the general problem of youth that we are concerned with in the Department since we have the Children's Bureau and juvenile delinquency program.

Mr. DENTON. This is a State problem, as Mr. Laird said. The only thing the Government does is work with States. That's all the President recommended.

Mr. COHEN. We have been giving advice to the Interior Department and to people interested in the recreational area as to how the needs and interests of youth can be taken care of in the total recreation program.

The other area that we are concerned with in recreation has to do with the area of the aged.

Where, as I spoke earlier this morning, we are particularly interested in encouraging the States and the localities to set up the senior citizen recreation activity centers. There are 350 of them.

Mr. DENTON. You are acting as an adviser to them?

Mr. COHEN. Yes; acting as an adviser in areas where they might have an interest.

WELFARE BUDGET

Mr. DENTON. About this budget, I am taking a little different turn than Mr. Fogarty but I am disappointed in your budget for welfare. That is almost \$3 billion. It is 60 percent of this Department's appropriations. When I went on this committee in 1951 the amount was \$1 billion. It has gone up 300 percent. In the 1961 budget it was \$2 billion and those 3 years, the budget has gone up another billion dollars.

Why I am disappointed is because I was in the State legislature in 1937 and that was right after these laws were passed.

HISTORY OF WELFARE PROGRAM

And at that time we were told by all people that welfare was a stopgap. And I think you and I belong to the same political party and I am very proud of what we have done in this social security field.

One thing President Roosevelt at that time said, was that this legislation would end the relief program, and social security and unemployment insurance, would take care of it.

Instead of that we have had this continual increase in expenditures and I am going to come into the numbers just a little bit later.

But Mr. Mitchell, who is the former Commissioner, told me I was wrong in saying welfare was only a stopgap. I went back and got some statements out of past hearings. I want to read some of them to you.

On February 6, 1947, Mr. Altmeyer, Federal Security Commissioner, made this statement before the House Appropriations Committee:

So, if we had coverage of the old-age and survivors insurance system which include the whole working population—farmers and farm labor particularly—we would find that our old-age assistance rolls and our aid-to-dependent-children rolls, would decline rapidly.

You will recall that the intent of the Social Security Act was that the insurance system in course of time would largely supersede this public assistance plan that is financed out of general revenues. I just mention it because it seems to me that the Appropriations Committee which is concerned with the charge upon the general revenues would want to know what the potential effect would be of a more comprehensive, adequate contributory social-insurance system on reducing the general disbursements of the Government.

Three years later when Frank Keefe was chairman of the committee, he made this statement, this was on January 26, 1950, during the 80th Congress:

I think you will concede we have crazy-quilt pattern in attempting to deal with this problem of old-age security. We have on the one hand the old-age and survivors insurance program which is supposed to be a contributory insurance program, with very limited benefits based upon the needs as demonstrated in this high-cost-of-living era. We have on the other, a system of old-age assistance under title I of the Social Security Act which is geared to the whims and caprices—if I may use that expression without meaning to be derogatory in character—of the legislatures of the various States.

And you have the broad field of general public assistance, a portion of which is administered by the Social Security Administration and a part by the Children's Bureau, crippled children's aids, maternal and child welfare aids, blind aids, and in addition to that a system of local relief administered locally that is geared in a haphazard way to that program, based upon alleged investigation as to need.

In addition to that is the growing demand expressed daily for pensions to special groups in the country by which there is set up a pension program for miners, a pension program for skilled workers in some other union or craft.

Then we have vast numbers of employees who are not covered by such programs. As I read most of those voluntary programs, they in turn are geared to the ultimate payment provided for under social security.

He said it is right.

Here is one thing that I find back in 1952 when I was talking to Mr. Altmeyer. I said to him:

When the law was passed, people hadn't built up a social security reserve. A great many people had reached the age where they were in need of assistance

and never could get it under the social security system. It was humane that they should be given assistance and, of course, be taken care of until social security came into play.

He said:

That is right. There are two things that prevent the insurance system really having the effect hoped for in 1935. That was that the level of benefits was pretty low, very low, as a matter of fact, in the light of the increasing cost of living, and the coverage was not universal; the rural groups particularly were not covered. So the insurance system didn't have the effect on the old-age assistance rolls that we had hoped. As I say, it did have the effect of at least preventing them from shooting sky high, and I think now with the extension of coverage and the better benefits, we can expect a continual substantial decline in old-age assistance.

Now, that was 1952 and since then we put practically everybody under social security.

Now what I can't understand is why this social security isn't taking effect and leading us from this welfare cost.

EXPANDING WELFARE PROGRAMS

Secretary CELEBREZZE. Well, of course, when you refer to welfare, you refer to more than just doling out money on day-to-day conditions or needs.

The total welfare program is broader than that. It includes the aid to the blind, aid to the dependent children, et cetera.

Mr. DENTON. Right there.

Secretary CELEBREZZE. As far as I have been able to determine it, there seems to be little concern that the areas in which we are working with are not sound programs with the exception of the program of aid to dependent children.

Mr. DENTON. I am coming to that in just a minute.

Secretary CELEBREZZE. An analysis prepared by my staff indicates that of the increase of \$1,256 million in Federal funds for public assistance cases between 1949 and 1961, 46 percent of that is attributable to new programs or extensions made under Federal legislation.

These now include the new program of aid to permanently and totally disabled.

Mr. DENTON. That is under social security now.

Secretary CELEBREZZE. I said assistance program.

Mr. COHEN. Title 14 of the Social Security Act.

Mr. DENTON. Total disability benefits are under social security and you pay for dependent children under that, too.

Mr. COHEN. The Secretary is referring to that program——

Mr. DENTON. Excuse me.

Secretary CELEBREZZE. Some of these are the new program of medical assistance for aged under the 1960 amendments, the addition of the needy adult care taken in aid to dependent children and vendor medical payment plans. Another 46 percent of the total is found to be due to increases in the Federal share of the average monthly payment per recipient.

You must remember——

Mr. DENTON. You mean we have increased the amount.

Secretary CELEBREZZE. Yes.

Mr. DENTON. I know that.

As far as the medical care for the aged, that is about \$200 million. Secretary CELEBREZZE. This was liberalized three times, 1952, 1956 and 1958.

Mr. DENTON. We increased it very little.

Secretary CELEBREZZE. The amount is small but when you lump it together it amounts to quite a few dollars, Mr. Denton. The other thing that I want you to bear in mind is that about 90 percent of the funds that we are handling go back to the States.

This is not—

Mr. DENTON. I am going to talk about that a little later.

Secretary CELEBREZZE. Thus of the total a net of only \$84 million or about 6 percent is attributable to the number of recipients reflecting primary growth and child population since 1949.

Again we have got to get back to the basic point that I was trying to make. We in the last decade have 30 million more people.

Mr. DENTON. Yes, I have those figures.

Secretary CELEBREZZE. Today the unofficial count is—

Mr. DENTON. I am going to say this a number of times, Mr. Secretary.

I think you said did you ever find any agency that wants to cut down on the amount of money it receives? And I don't think that you are going to find any agency that wants to act as receiver for its Department. As one welfare lady told me, anybody who didn't try to increase their Department wasn't worth their salt. I don't think you can expect the welfare agency to ever try to get us over into the social security field. I think we have got to go to someone higher up in your agency.

Who else can do anything with welfare?

Nobody has control over it. I don't know anybody who can control that agency but you.

I read these justifications and I would have been awfully pleased if I had found something in there that they were trying to eliminate fraud, trying to force fathers to support their children and do things to get the program in line.

All I ever read was how they were going to do bigger and better things along the welfare line, which we instituted as a stopgap.

GEOGRAPHIC DISTRIBUTION OF BENEFITS

This is a very unfair law, this welfare law. I went through the figures in the justification and on old-age assistance, four States get 33 $\frac{1}{3}$ percent of the old-age assistance. Two of these were not large States.

And I came down to the medical care for the aged and five States, California, Massachusetts, New York, Michigan, and Pennsylvania got three-fourths of the money of medical care for the aged.

The people in every State pay the same rate of taxes, and as Frank Keefe said, we are subject to the whims of the various legislatures. I certainly think that the program of social security is preferable to welfare. Under social security people pay for what they receive. The money comes from a trust fund—not from the General Treasury. If everyone was under social security we would not have the problems that confront us under welfare.

Secretary CELEBREZZE. Mr. Congressman, may I say, first of all, it is true that our costs have gone up, but I think it is also true that we are suddenly coming to the realization as a nation, that we have had certain neglected areas in this country for years and years and years and we are now merely facing up to the fact that if we had done something in the years past about education and retraining—

Mr. DENTON. I am not talking about these other things.

Secretary CELEBREZZE. I am leading up to the point that I tried to make earlier, if we do our job right in these areas of educating people, when you have the illiteracy that we have in this country, and when you have the higher skills required to get employment, these people just don't have the qualifications and today we are at least facing up to the problem by trying to spend money to retrain them so they can get in the economic stream.

You can cut that off but these people somehow have to live. So our basic policy now is to move in, move in in force to remove some of these obstacles to make these people self-sustaining and the price is heavy right now, I will agree with you.

That's only because we have neglected it in the past and we are suddenly coming to this realization.

Now, the figures that you read to me, there is actually only about 90 percent of the cases in aid to dependent children that come from about 26 or 27 States.

Mr. DENTON. The industrial and Southern States.

Secretary CELEBREZZE. Heavily populated States.

Mr. DENTON. And Southern States.

Secretary CELEBREZZE. Because they have had the problems of congestion. I can't subscribe, Congressman Denton, to the theory that leaves everything we have in Indiana to Indiana and leave everything we have in Ohio in Ohio. We wouldn't have a nation very long.

EFFECTS OF SOCIAL SECURITY ON WELFARE PROGRAMS

Mr. DENTON. I believe in helping people. I will go as far as you and Mr. Fogarty will. I think you are a liberal and I consider myself a liberal and as such I think this welfare is something that we liberals have got to get hold of, because I don't think it is going to bring credit on what we are doing. What I am trying to get at is, we told the people back in 1951 that the social security system is going to supersede this welfare program and it isn't doing it.

Back in 1941, 24 percent of the people were under social security, now 67 percent are. In addition to that, we have railroad retirement—

Secretary CELEBREZZE. Excuse me. Are you referring to the number of workers covered under social security? That is—

Mr. DENTON. Insurance benefits.

Mr. COHEN. Eighty-eight and one-tenth million. You are looking at the percent side.

Mr. DENTON. That is correct.

In addition, we have railroad retirement. We have civil service retirement, we have no end of local pension funds like teachers' pension funds, firemen and policemen.

I know in my State we have the State board of accounts pensions. So most everybody is now under some form of social security.

Now, what I am concerned about, as I say again, that isn't cutting down the people on welfare.

Mr. COHEN. May I answer that?

I think it is cutting down if you look at the matter closely.

Mr. DENTON. I will put all these statistics in the record at the end of our discussion.

Mr. COHEN. In 1940, 5 years after the first act was passed, there were 2 million people receiving old-age assistance in that year, representing 22.8 percent of the aged population of the United States.

Today we have 2.3 million aged people receiving old-age assistance.

But the number of aged has doubled since that time. So that the percentage of the aged receiving welfare payments has declined to about 12 percent. So the original objectives as you said, and as you quoted Mr. Altmeyer as saying, have been achieved to some extent in that the rate has declined from about 23 percent to about 12 percent.

May I say this? If the same rate that existed in 1940 still existed today, approximately double the number of aged would be on welfare than are on today.

Now, your next question might be why has that been?

Mr. DENTON. Your figures that you have here are more favorable to me than the ones I got. I show 1950, 2.3 million.

What I am wondering about is, we have gone now 25 years with social security and since 1954 almost everybody has been under it. It was originally planned that social security would cover everyone's needs, also, and it is not doing it.

Mr. COHEN. The problem has been that the bulk of the 2.3 million aged who are on welfare, are the widows and the wives of men who never were under social security and never have been.

Mr. DENTON. When are we going to get to this goal we told people we would get to when we passed this act?

TYPES OF PEOPLE RECEIVING OLD-AGE ASSISTANCE

Mr. COHEN. As Mr. Altmeyer pointed out in his statements repeatedly before this committee, the coverage of the program was never made really fully comprehensive until 1955. Agriculture did not come in until 1954. So that the real low-income people in this country did not begin to get insured until 1955 and it took them 2 or 3 years to get insured. Now, everybody else who had not been covered previously was left out of social security and you will find that the bulk of these 2.3 million are made up of two groups. There are about 750,000 people on assistance who are also getting payments because of the low payments under the insurance program.

Mr. DENTON. That means we would have to increase the minimum social security benefit to take these people off of welfare.

Mr. COHEN. Yes. The second point is that a very large proportion of them—I will put the exact figure in the record, but I would guess well over 50 percent of them are widows—widows whose husbands were never under social security. Now we are going to have those continue to be on the assistance rolls.

(The information follows:)

Estimated composition of caseload of old-age assistance, December 1962

	Proportion (percent)	Number of recipients
Old-age assistance recipients also receiving old-age, survivors, and disability insurance.....	35.7	795,000
Widows on old-age assistance who are not receiving old-age, survivors, and disability insurance benefits.....	31.2	694,000
Others.....	33.1	737,000
Total.....	100.0	2,226,000

NOTE.—Data are not available for "widows whose husbands were never under social security." The above figures exclude the type of case, probably very small in number, where the husband was not under social security but the widow herself was.

Mr. DENTON. You said in the justification that over one-half of them are over 75 years of age. You told me that some 10 years ago.

Mr. COHEN. Yes, and the reason for that staying relatively stable can be explained this way, I think. Let me put it this way. The reason why the old-age assistance rolls are declining is that more people are dying on the rolls and going off than new people are coming on. But the new people who are coming on are largely again the widows of the people who are not covered under the social security or whose payments were inadequate, and the second group is largely because of needing medical care. Twenty to twenty-five percent of the cost of old-age assistance are now medical care costs for these people.

Mr. DENTON. Medical care shows only 200 million.

Mr. COHEN. You have two programs in old-age assistance.

The average amount of payment to the people is \$60 a month, but for the people who are sick the average is \$15 for medical care which makes it \$75 which is in addition to the Kerr-Mills.

Mr. DENTON. I was just thinking that this group, of people 65 to 75, were born during the panic of 1892. They tell us there is a small birth rate in bad times, so this group should be relatively small. Last year you told us at great length that we needed more money for this welfare program because times were bad. I do not find anyplace in your budget where you are reducing requests because economic conditions are better.

Mr. COHEN. Let me put it this way so that you will understand it.

If there is no new factor injected into the situation, and business conditions remain relatively good and there are no other adverse conditions in the situation, it would still take 15 to 25 years for us to bring the old-age assistance rolls down to a negligible amount under present conditions simply because the life expectancy of the people already on the rolls, plus—

Mr. DENTON. Most people have been under social security over 25 years. Since 1955 practically everyone has been under some pension plan. Many of the people between 65 and 75 are World War I veterans and many get a pension. The people in this group should be relatively small because they were born during a depression. With all of these facts it seems this appropriation should go down, not up.

Mr. COHEN. I still say because I appreciate the statements that were made in 1935 and the statements Mr. Altmeyer made, but if there is no single additional constructive change in the situation, you are still

going to have the present crop on the rolls—not the present crop, because they are diminishing, but you are still going to have a problem of financing old-age assistance for a very substantial period of time, even though it goes down from the 2 million to 1½ million to 1 million.

EFFECT OF SUCCESSFUL REHABILITATION ON BUDGET

Mr. DENTON. Coming back to this again. I was very pleased that you were able to show that you had rehabilitated enough people so that you are saving \$17 million. Are we getting credit for saving?

Mr. KELLY. As near as we can.

Mr. DENTON. When did you decide we saved that \$17 million?

Mr. KELLY. We actually make an analysis every year of all of the people who are rehabilitated and what constituted their form of employment. We identify that this group of persons were on the assistance rolls of the State and were removed as a result of rehabilitation.

Mr. DENTON. What percentage came from the old age group?

Mr. KELLY. In this particular group all of them did; that is, I mean all on assistance, not old-age assistance. It would be the total—blind, totally disabled, aid to dependent children.

Mr. DENTON. How did you allocate that \$17 million, between which branches?

Mr. KELLY. I can't do it that way. You can't take an individual and trace him back in a budget projection of what the future requirements are. You have to go to the State and ask them what they anticipate the need for and test the reasonableness of their projection. But the fact that you have removed them from the rolls—people from the rolls—who otherwise would continue to be on there is going to give you the reduction.

Mr. DENTON. I am very interested in that and I will tell you why I am interested in it. You remember under total permanent disability under social security it was felt that it would be a very good idea to refer those people to vocational rehabilitation. We found that only a very small fraction, less than 1 percent, were rehabilitated, because they were not rehabilitable cases. I wonder how you can rehabilitate people 75 years old.

Mr. COHEN. It depends on how you use the term "rehabilitation." If you use it in the sense that we use it usually, it is inappropriate. But social rehabilitation involves both medical care as well as a number of other items that make them more self-supporting. For instance, if you can so arrange the situation with the old people that they might—because they have medical needs—move closer to their children or move with their children or give them a homemaker or bring a visiting nurse in, you can either reduce the amount of assistance or the length of time that they are on assistance. Rehabilitation is used in the broader sense than vocational rehabilitation.

Mr. DENTON. I would like to see a case study of some of those. I would like to see a case study on it.

Mr. COHEN. I think the predominant part of the money on the rehabilitation are the aid-to-dependent-children cases and not from old-age assistance.

Mr. DENTON. On this medical care for the aged, that is \$209 million now. It is going to go tremendously higher than that. I realize that. Three-fourths of it goes to five States.

Mr. COHEN. It is actually 88 percent going to four States.

Mr. DENTON. My State will always pay the taxes other States pay but will probably never pass legislation to get the benefit of our program.

Secretary CELEBREZZE. You have such healthy people.

Mr. DENTON. That is one thing. My people are paying the same taxes as they are in Louisiana and Colorado and Oklahoma and Texas, but my people don't have as liberal welfare benefits as these States.

Let's go to aid-to-dependent-children cases. In 1950 you spent \$246 million plus. This year you want \$927 million. That is an increase of 300 percent. We pay benefits to children under social security and you told me last year that this great increase was generally due to broken homes and illegitimate children. Now, has the increase of broken homes and illegitimate children been 300 percent in 14 years?

Secretary CELEBREZZE. The increase in illegitimate children has gone up. According to the President, he stated that 1 out of 20 children are born illegitimate.

ABSENT FATHERS

But I think our highest percentage in the two groups are: one, of divorce and, secondly, what we call the absentee fathers. Those are the two high elements in our aid to dependent children.

Mr. DENTON. One thing I want to bring up on this.

Mr. FOGARTY. Are you not going to tell them about your bill?

Mr. DENTON. I think the law should be passed but I want to use the machinery the States now have.

Mr. FOGARTY. It is a good bill.

Mr. DENTON. In June 1962 the General Accounting Office made a check of your regional office that embraced Iowa, Minnesota, and the two Dakotas. The report was that the welfare people are doing almost nothing in trying to force fathers to support children. They said that in cases where there was a court order that the father pay for the support of the children, if they left the State they took it up under the reciprocal action, but when he stayed in the State nothing was done. Now, we all talk about our public experiences, and when I was a prosecuting attorney during the depression we had no end of these cases. I hesitate to say how many there were. Men were paying \$1 and \$2 a week, because they were only making \$64 a month then. It is probably a lot easier and a lot less trouble to take money from the Government and State than from fathers, though, to support their children in many cases. But that is not morally right. It is morally bad not to make them support their children, either legitimate or illegitimate. This report was made, of course, before you were Secretary.

Secretary CELEBREZZE. I have taken action on the report, though. We have acted on the report through the release of a new Federal policy. Before I get into the report, I am somewhat familiar with the reciprocal agreement between States to the extent that we set up a special prosecutor in the prosecutor's office for the purpose of trying

to trace down these absentee fathers and we are trying in many instances. It isn't very appealing. The policy was put into effect in January 1963 and emphasis has been given to the State agencies responsibility for direction and supervision of these activities. I know that one of the first things that I discussed with Dr. Winston when she came in was about trying to trace down these absentee fathers.

Mr. DENTON. Are they taking steps to see that the absentee fathers support their children?

Secretary CELEBREZZE. Sometimes it doesn't help our problem. Sometimes—

Mr. DENTON. Some steps should be taken in court to see that this runaway pappy—either legitimate or illegitimate—supports his children.

Secretary CELEBREZZE. I couldn't agree with you more. It is one of the points that I have been rather insistent on.

Mr. DENTON. I was awfully disappointed and sorry that in the justification there was no reference to that policy and nothing said about what steps would be taken in that respect.

Mr. COHEN. Mr. Denton, as the Secretary said, last year, we did take, based on the points that you made previously, last year, we did adopt this policy of requiring every State to set up a unit in the State agency for the location of deserting parents. That had never been a requirement before and under this new policy that the Secretary has mentioned, we have required, not just asked, but required them to set up this unit to work with the attorney general of the State and the district attorney with respect to this particular problem. So that is one very concrete action that has been taken.

Mr. DENTON. Could you require the local welfare office to show what steps have been taken or why steps could not be taken?

Secretary CELEBREZZE. No, we don't. We don't do it quite that way. I wouldn't want to mislead you. If we have hungry children we have to feed the hungry children while we are still taking judicial process.

Mr. DENTON. I do not want to punish children for the faults of their parents.

Secretary CELEBREZZE. I am keen on this one point you made. I have gone into detail with Dr. Winston on this very point and I think you are going to see an improvement in the program that we have on many of these points as we really get down to it. But I want to say this to you in all fairness—that I can't adopt a policy which will leave children hungry.

Mr. DENTON. I agree with you.

Mr. FOGARTY. Nobody is in favor of any policy that would do that.

Mr. DENTON. I am just trying to get at some way to make their father support the children. I would not want to punish children for what their parents do.

Mr. COHEN. We have to do several things. First, this policy that they have to have a unit in the State and personnel that will actually follow these cases. In other words, if you are going to really locate some of these fathers you have to work at the job. It can't be done by just sending some pieces of paper around. These fellows are pretty clever—they use aliases, they go different places and sometimes live in the community.

Mr. DENTON. You have a perfect way to catch them with social security.

Mr. COHEN. We do just that—we use that record to help the States in locating the deserting father. As you know, that is not always too useful because it runs about 9 months late.

Mr. DENTON. I do not want to punish the children, but I do think you should have some reporting system from the local welfare office—what steps they have taken to try to make the father support the children and why they have not been successful.

Secretary CELEBREZZE. We are in perfect agreement with you on that point, Congressman Denton. I don't believe there is any differences of opinion.

REHABILITATING UNWED MOTHERS

Mr. FOGARTY. How does the unwed mother come into this overall picture?

Secretary CELEBREZZE. Basically, the unwed mother will go to juvenile court and name the individual who is the purported father and they will make a finding against him for the support of the individual child and proceed against him.

Mr. FOGARTY. There are so many 12-, 13-, 14-year-olds, who are becoming problems. What will we do with kids like that? They can be rehabilitated, I am sure many of those kids could be.

Secretary CELEBREZZE. You mean many of these children that have gotten in this condition?

Mr. FOGARTY. At that early age, yes. Are you doing anything on that?

Secretary CELEBREZZE. Haven't they started something in the District about that?

Mr. FOGARTY. Nationally, I mean. We have a problem in my State. I do not know of any national program of consequence to deal with this problem.

Mr. COHEN. In the amendments of last year, in order to encourage the State to undertake giving these young girls the services they need in order that they don't have a second illegitimate child and a third and a fourth, the legislation provides that we will pay the States 75 percent of the cost of providing the services to these girls rather than 50 percent as previously done. That should encourage every State to provide the services that are necessary—and we think it is well worth the money. I can't cite the statistics, but if you work with one of these girls who had one illegitimate child you can cut the rate of the second illegitimate child almost down by about 90 percent as compared to those who do not get any service whatsoever.

Mr. FOGARTY. Will you expand on this in the record, please. It is of interest to me and others in Rhode Island.

Mr. COHEN. We are asking every State in the Union now to accept—not only to accept these services of the 75-percent rate, but giving them—well, beginning on July 1 of this coming year, a State will not get any of its increased money whatsoever unless it begins to put these services into effect. This is a very major change in the program in which the Congress decided that it couldn't any longer just say to the State, "Well, take it or leave it."

Mr. FOGARTY. Spell this out in your remarks.
(The information follows:)

SERVICES FOR UNMARRIED MOTHERS

At a home for unwed mothers in New York, for example, girls were given professional casework services at the time of their pregnancies. Eighty-five percent, over a 10-year period, had no more illegitimate children. The other side of the coin is seen in the results of a Maryland study. Out of 100 of the girls who did have more than 1 illegitimate child, only 2 received casework services at the time of their first pregnancies.

Special projects have also demonstrated that constructive help can prevent illegitimacy. For example, a recent project report deals with intensive casework provided by a psychiatric clinic to ADC mothers with one or more illegitimate children. All of the cases had received assistance grants for at least 2 years. Appointments were scheduled with a psychiatric social worker on a weekly basis for periods ranging up to a year and a half. At the conclusion of treatment, all of the mothers were self-employed; the children's behavior problems had shown remarkable improvement. A followup 4 years later revealed that none of the mothers had repeated the pattern of illegitimacy, three were married to economically independent men, and the marriages appeared to be stable and satisfactory.

A number of studies currently underway are attempting to pinpoint the differences in the characteristics, motivation, and situations of mothers of one illegitimate child as contrasted with those of mothers of two or more such children. The findings of these studies, when completed, should yield much-needed information about steps that can be taken to reduce the incidence of two or more illegitimate children born to the same mother.

A considerable number of studies, related primarily to public welfare services, have reported that reduced caseloads and better trained staff result not only in helping more people to become self-supporting, but in helping to rehabilitate individuals with regard to their individual problems. Statistics show that after unwed mothers begin receiving aid to families with dependent children payments they infrequently have additional illegitimate children. In 15 States, 76 percent of the illegitimate children were born before the family received ADC. For most States, the proportions ranged from 66 to 90 percent.

Many studies on illegitimacy have been made; others are in process. Even though there have been promising results, there is still need of greater understanding of some of the basic aspects of the problem and of more evaluation of services to unmarried mothers to enable identifying those that are most effective in rehabilitating them. The Department is attempting to encourage more research of this type.

In regard to the young adolescent girl, emphasis under the new 75-25 percent matching rate is being given by the Bureau of Family Services and the States to the following services:

- Reaching the young adolescent early in her pregnancy;
- Arranging for adequate medical services;
- Helping to develop an appropriate living arrangement in her own home, with relatives, in a foster family home, or in a maternity home;
- Reaching decisions with the girl and her parents or guardian as to the future of the girl and of the baby;
- Planning in regard to continued education for the young girl;
- Establishing paternity of the child and securing financial support if possible;
- Utilizing specialized resources of the community as required; i.e., medical, psychiatric, legal, child-placing;
- Helping the girl understand and try to deal with her own problems which led to her difficulty and to do so in such a way as to help her in her future;
- Support and practical help to the girl and her parents in carrying through the agreed-upon plan;
- Dealing with the problems in the girl's environment that contributed to illegitimacy.

This approach should result in substantial expansion and improvement of social services to unmarried mothers and their children who turn to the public assistance agency for help.

Mr. DENTON. I wish you would take the same policy and make the father support the child. As far as illegitimate children are concerned there are generally statutory proceedings to require the father to pay money for support of these children.

DIFFICULTY IN SUPERVISING STATE PROGRAMS

Mr. COHEN. The difficulty is the manner of support—that is a matter of State law. Whatever the State law requires, we, as a matter of policy, insist that the State follow it as a matter of proper and efficient administration. But it really is a matter of State law and practice.

Mr. DENTON. According to this report you are very lax about it. It was made a year ago and you say it is corrected?

Secretary CELEBREZZE. We have taken steps to correct it, Congressman Denton. One of the difficulties here, from an administrative point of view, is that in the control of these programs and the actual operation of these programs, they are done with State personnel. In many instances we find that the States do not have adequate staff for which to actually properly supervise this. It is physically impossible for us to look over their shoulders. We are going in and audit maybe once a year. It used to be once every 3 years. But in that 1-year period, the General Accounting Office may go in during that 1-year period before we have audited them. We are trying to cut that time lapse down as much as we can, but I think that the control of these programs is not as easy as it would appear on the surface, because you are dealing with all these States, with local customs and local officials. I will get back to the point I made. Certainly under the directives issued since I have assumed control of the Department, I expect much better results.

Mr. DENTON. I think you gave a very good reason why welfare legislation is not as preferable as social security, and we should be working toward one system where everybody will be under social security. I think you have made a very good explanation there.

Secretary CELEBREZZE. Of course, I already stated—perhaps I didn't understand you correctly. I was covering a total welfare program, not only the welfare program as it applied to the aged. I might say this to you with respect to your question of whether or not this can be reduced. I sincerely believe that welfare costs are directly related to the unemployment situation in this country. We have been trying since 1933, I believe, to lick the unemployment problem, and we haven't licked it yet. When we come to the point where we lick or reduce the unemployment situation in this country, then I think your cost in some of these welfare programs will start to go down.

Mr. DENTON. I think it is too bad that we did not extend that unemployment insurance law.

STATISTICS ON PUBLIC ASSISTANCE PAYMENTS SINCE 1950

I will put in the record statistics showing public assistance payments since 1950.

(The material referred to follows:)

*Old-age assistance—Average monthly number of recipients and expenditures from Federal funds for assistance payments and costs of State and local administration, fiscal years 1950-64*¹

Fiscal year	Average monthly number of recipients	Expenditures from Federal funds
1950.....	2,728,700	\$825,351,000
1951.....	2,784,500	832,126,000
1952.....	2,703,900	826,101,000
1953.....	2,636,900	920,063,000
1954.....	2,589,300	934,664,000
1955.....	2,562,300	933,970,000
1956.....	2,543,000	936,778,000
1957.....	2,511,000	1,009,966,000
1958.....	2,482,000	1,058,651,000
1959.....	2,414,600	1,149,550,000
1960.....	2,386,900	1,171,485,000
1961.....	2,328,200	1,219,807,000
1962.....	2,264,100	1,267,845,000
1963.....	2,253,200	1,364,200,000
1964.....	2,283,700	1,460,600,000

¹ Actual 1959-62; estimated 1963 and 1964.

*Medical assistance for the aged—Average monthly number of recipients and expenditures from Federal funds for assistance payments and costs of State and local administration, fiscal years 1961-64*¹

Fiscal year	Average monthly number of recipients	Expenditures from Federal funds
1961.....	22,200	\$22,851,000
1962.....	76,000	105,785,000
1963.....	123,000	143,100,000
1964.....	175,000	209,900,000

¹ Program initiated Oct. 1, 1960; actual for 1961 and 1962; estimated 1963 and 1964.

*Aid to families with dependent children—Average monthly number of recipients and expenditures from Federal funds for assistance payments and costs of State and local administration, fiscal years 1950-64*¹

Fiscal year	Average monthly number of recipients	Expenditures from Federal funds
1950.....	1,529,300	\$246,865,000
1951.....	1,667,600	311,802,000
1952.....	2,067,000	311,098,000
1953.....	1,997,700	345,195,000
1954.....	1,983,900	354,237,000
1955.....	2,179,600	387,395,000
1956.....	2,213,900	396,726,000
1957.....	2,296,200	450,475,000
1958.....	2,542,000	529,560,000
1959.....	2,851,900	624,331,000
1960.....	2,964,800	665,700,000
1961.....	3,129,500	716,164,000
1962.....	3,596,300	844,827,000
1963.....	3,775,000	897,000,000
1964.....	3,828,500	972,000,000

¹ Actual 1950-62; estimated 1963 and 1964.

*Aid to the blind—Average monthly number of recipients and expenditures from Federal funds for assistance payments and costs of State and local administration, fiscal years 1950-64*¹

Fiscal year	Average monthly number of recipients	Expenditures from Federal funds
1950.....	92,800	\$23,572,000
1951.....	96,700	26,357,000
1952.....	97,500	29,570,000
1953.....	98,600	33,904,000
1954.....	99,800	35,735,000
1955.....	102,500	36,785,000
1956.....	104,800	37,823,000
1957.....	107,300	41,561,000
1958.....	108,300	44,276,000
1959.....	109,500	48,054,000
1960.....	108,700	48,961,000
1961.....	107,000	48,663,000
1962.....	102,800	47,572,000
1963.....	97,800	49,200,000
1964.....	95,400	50,900,000

¹ Actual 1950-62; estimated 1963 and 1964.

*Aid to the permanently and totally disabled—Average monthly number of recipients and expenditures from Federal funds for assistance payments and costs of State and local administration, fiscal years 1951-64*¹

Fiscal year	Average monthly number of recipients	Expenditures from Federal funds
1951.....	78,200	\$17,894,000
1952.....	127,500	42,307,000
1953.....	165,000	59,664,000
1954.....	196,500	72,440,000
1955.....	225,600	82,620,000
1956.....	246,300	91,463,000
1957.....	271,100	108,336,000
1958.....	295,100	124,591,000
1959.....	327,800	151,045,000
1960.....	351,400	169,080,000
1961.....	373,900	183,740,000
1962.....	398,900	201,684,000
1963.....	441,500	244,800,000
1964.....	468,000	275,600,000

¹ Program initiated Oct. 1, 1960; actual for 1951-62; estimated 1963 and 1964.

STATISTICS FROM LIBRARY OF CONGRESS

Mr. DENTON. I will also place in the record a letter on this subject I am getting from the Library of Congress.
(The letter referred to follows:)

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., February 19, 1963.

To: Hon. Winfield K. Denton.
From: Education and Public Welfare Division.
Subject: Coverage of social insurance and welfare programs.

This is in response to your telephone call this morning requesting statistics on the above subject.

1. *Benefits for retired group.*—The most recent statistics which give a complete breakdown for all the major programs are for June 1961. At that time the total population 65 and over was 17,130,000. All but 13 percent of these people receive some or all of their support through public programs—old-age

and survivors insurance, railroad retirement, government employees' retirement, veterans' benefits, and public assistance. Of the 13 percent not receiving governmental benefits 5.3 percent were receiving income from employment.

A total of 65.7 percent (11,260,000) of the aged received OASDI benefits; 3.7 percent (640,000) received railroad retirement; and 6.1 percent (1,040,000) received government employee retirement payments. Some 14 percent (2,400,000) received public assistance, while 11 percent (1,890,000) received veterans pension and compensation. There is some overlap in these benefits.

Enclosed herewith is an article from the Social Security Bulletin which gives a detailed breakdown of benefits received by the 65-and-over age group, as well as statistics on their employment. It should be noted that, since this time there has been a considerable increase in the number of persons receiving old-age and survivors insurance benefits. For instance, in October 1962, 13.9 million beneficiaries age 62 and over were receiving benefits, 1.2 million more than in October 1961. Also enclosed are a number of tables which show the development of the public assistance and OASDI programs.

One other table is enclosed which may be of interest to you in regard to the failure of the old-age assistance program to decline in numbers. This table shows that in 1948 only 6.1 percent of the people on old-age assistance also received social security. However, by 1961 31 percent of the old-age assistance recipients (over 700,000) also received social security. What this seems to indicate is that a substantial number of persons who are eligible for social security do not receive enough in benefits to fully meet the standards of need of the State old-age assistance programs.

2. *Coverage.*—As of June 1962 there were 70.3 million workers in paid employment: 61.1 million people (or 87 percent) were covered under the social security system. Of the 9.2 million not covered by social security, 4.3 million are covered by other public retirement systems.

Projections show the following rising percentages of OASDI eligibles to the total population 65 and over in the future: 1964, 14.4 million out of 17.9 million people (80.7 percent); 1970, 17.1 million out of 20.2 million people (84.6 percent); 1980, 22.6 million out of 25.3 million people (89.3 percent). It is estimated over the long run that 95 percent of the 65-and-over age group will be eligible for social security.

FREDERICK B. ARNER.

INVESTIGATION OF AID TO DEPENDENT CHILDREN PROGRAMS

MR. DENTON. The other body asked you to conduct an investigation into aid to dependent children. Who is conducting this investigation?

Secretary CELEBREZZE. Well, let me give you the history on it.

Back in June of 1962, the Committee on Appropriations of the Senate asked that the Department of Health, Education, and Welfare make a study to investigate aid to dependent children in regard to eligibility or ineligibility and report back to it at the next hearing which was presumably this year. Since that time I have met twice with Senator Byrd, I have met with Senator Hill in determining procedure.

MR. DENTON. There have been articles in the paper about that.

Secretary CELEBREZZE. At that time we set up a citizens' advisory committee in order to review and set up procedures for the investigation. Senator Byrd at that time requested that I put one of his men, who is his chief investigator in the District, on that committee and I readily agreed. I said I wanted to find out the truth. He then requested we take in the General Accounting Office as part of the investigating unit and I readily agreed to that. But about 2 weeks after I came into office, as an administrative procedure, I issued a memorandum to the then Commissioner of the Social Security Administration telling him to set up procedures or controls designed

to make sure that moneys were being spent for the purpose it was intended.

DELAY IN STARTING REVIEW OF CASES

Mr. DENTON. When did the actual review under this study begin?

Secretary CELEBREZZE. In January of this year.

Mr. DENTON. And the review was requested by the Senate Appropriations Committee report of June 29, 1962. That is almost 8 months ago. What has occasioned the delay?

Secretary CELEBREZZE. The occasion of the delay was primarily because we were in the process of reorganizing the Department right after I came in and creating the Welfare Administration. It was primarily because I did not know there was such a request until—sometime after I had been here. I wasn't familiar with it. But meanwhile there had been conversations between Senator Byrd and my staff over the method of procedure to be used in conducting this investigation and I just sent out a letter this morning to Senator Byrd where I hoped that we had gotten together on the procedure so we could continue on the investigation. There were some differences of opinion as to how far we should go on our investigation.

As I say, I have set up what we call now—what is referred to as quality control—where you pull out files on a 30-day period and actually go out and investigate with our people. They didn't want me to go that far. So we are going to suspend part of that for the time being.

Mr. FOGARTY. Who did not want you to go that far?

Secretary CELEBREZZE. Senator Byrd.

Mr. FOGARTY. Why?

Secretary CELEBREZZE. He thought it would interfere with his investigation primarily and he thought that perhaps if we went up to that period of time, that the percentage of actual ineligibility wouldn't be as great because the States have tightened up.

Mr. FOGARTY. It was not because he thought you had an investigating group of welfare people investigating their own sins.

I just asked that because I have heard others make that observation.

Secretary CELEBREZZE. Here is the observation I made.

You have the States using their personnel to investigate themselves. You have HEW and their personnel and while I insist they come up with a sound report, regardless of what the conditions show, if it is good or bad, I insist upon that. Nevertheless, there has been created an impression that because the States are using their people and HEW is using 60 people out of the Welfare Administration, that before we go into it there might be a tendency not to do it. As far as we are concerned within HEW, I am interested in only one thing—to find out what the truth is and if anything is wrong then to set up barriers so that it doesn't happen again.

Mr. DENTON. On August 15 in a memorandum to the Commissioner of Social Security you promised full backing and you made this statement: "I want you to know my deep concern and sense of urgency in this matter and give you my full backing." I know you were not in office—

Secretary CELEBREZZE. That was August 15, 1962. I was in office at that time.

Mr. DENTON. But you were not in office on the 29th of June.

Secretary CELEBREZZE. No, I came in about a month later.

Mr. DENTON. I believe you said the delay was caused because you were reorganizing the Department.

Secretary CELEBREZZE. Yes.

Mr. DENTON. Why the delay of 5 months after the Secretary's memorandum before this survey was started?

Mr. KELLY. This is just the amount of time it takes to get something like this started.

Secretary CELEBREZZE. We had to call in the State people and our people and go through a training course for them as to how to conduct the investigation and that took time.

Mr. DENTON. If there are as many fraudulent cases in the country generally as in the District of Columbia, that is a pretty expensive training course. Great sums of money will be spent on fraudulent claims that could have been dismissed.

Secretary CELEBREZZE. The District of Columbia is an entirely different situation. We are caught in the position where we leave it up to the States as to who they want to cover, what portion they want to cover. So that many of the people that were ineligible in the District would be eligible in other States. The District never adopted the unemployed fathers provisions.

Mr. DENTON. I have a number of articles in newspapers and magazines here about investigations in other places, too.

Secretary CELEBREZZE. You will find the eligibility requirements will vary from State to State. A person that is eligible in Washington, D.C., may be ineligible in Indiana.

Mr. DENTON. I doubt that very much.

Secretary CELEBREZZE. It depends what the State has adopted. I can't imagine comparing the total country to what has happened in the District.

SELECTION OF INVESTIGATIVE COMMITTEE

Mr. DENTON. You have an advisory committee or group for this study. Will you place the names in the record and their current positions? I understand 11 of these 15 people have been in social work for years.

Secretary CELEBREZZE. I will insert it in the record. If I am dealing with a medical problem I have doctors on committees. If we are dealing with social problems we have social workers—we do have a cross section. I have industry represented as I pointed out. We have a labor representative also.

(The information follows:)

ADVISORY COMMITTEE FOR THE NATIONWIDE REVIEW OF ELIGIBILITY IN AFDC

Mrs. Bernice Alexander, Park Ridge, N.J., member of the Association of County Officials.

John Corson, Princeton, N.J., director, McKinsey & Company, Inc., and professor of public and international affairs, Woodrow Wilson School, Princeton University.

Miss Loula Dunn, Chicago, Ill., director, American Public Welfare Association.

Dr. Morris Hansen, Washington, D.C., Assistant Director for Research and Development, Bureau of the Census.

Mrs. Cernoria Johnson, Washington, D.C., Washington representative, National Urban League.

Leo Perlis, New York, N.Y., director, community service activities, AFL-CIO.
L. E. Rader, Oklahoma City, Okla., director, Oklahoma State Department of Public Welfare.

Wilbur J. Schmidt, Madison, Wis., director, Wisconsin State Department of Public Welfare.

Harry T. Sealy, Cleveland, Ohio, vice president, Cleveland Electric Illuminating Co.

Randel Shake, Indianapolis, Ind., director, National Child Welfare Division, American Legion.

W. Bernard Smith, Charleston, W. Va., commissioner, West Virginia Department of Welfare.

Fred H. Steininger, Gary, Ind., director, Lake County, Ind., Department of Public Welfare.

Miss Elizabeth Wickenden, New York, N.Y., consultant on public social policy, National Social Welfare Assembly.

Dr. Ellen Black Winston, Raleigh, N.C., former commissioner, N.C. State Board of Public Welfare; now Commissioner of Welfare, U.S. Department of HEW.

William Galvin, Washington, D.C., chief, Investigations and Collections Division, D.C. Department of Public Welfare.

Mr. DENTON. One of the welfare workers in my district came in my office and said, "What right has welfare got to investigate themselves? How do they expect to find out anything?" She was a welfare director. Now, there are welfare workers and there are investigators. They are an entirely different kind of people.

An investigator is one thing and a welfare worker is another. It hardly behooves me to talk about people investigating for the other body, but I do believe an auditor who audits his own books will very seldom find something wrong.

Secretary CELEBREZZE. I had to investigate a police department one time and I had to use policemen because they knew the ways of policemen.

Mr. DENTON. I have done that, too.

METHOD OF CONDUCTING INVESTIGATION

Mr. COHEN. Before Secretary Celebrezze came into office, after the Senate had made this recommendation, I did go with Commissioner Ball up to see Senator Byrd and propose that this entire investigation be handled outside the Department and that would require an additional appropriation and you see no additional money was made available to the Department for that purpose. So that we couldn't hire someone and that is the reason you had to use the State staffs, because of the decision on the Senate side not to allocate new money. At the time before Mr. Celebrezze came in, my recommendation, was that there be a completely independent investigation. But that decision was not confirmed.

Mr. DENTON. In the Secretary's Office, you have a review division—division of grant-in-aid audit, do you not?

Mr. KELLY. We have an audit program, grants-in-aid audit program.

Mr. DENTON. Why wouldn't that division have been ideal for this.

Mr. KELLY. It is inadequately staffed to take on this type of thing. Let me add, the one thing that it seems to me that we should do is give you some degree of assurance as to how adequately this investigation

is being conducted. The General Accounting Office is going to assign a group of people, or have assigned a group of people, who will make random spot checks and will go with the State staff to the house when they are making a visit as part of this investigation and will render a report when this is over as to whether or not they think the conduct of the investigation was objective or was not.

Mr. DENTON. I talked to them. What they told me, they were going to check the welfare workers to see if they were doing their work properly.

Mr. KELLY. They can't do all of them, but they are going to do a sample of them. They are going to see if we had an intelligent investigation and I think it is also fair to say, Mr. Denton, that although these people are social workers, that a part of their job is investigation, that the reason the State employs them is to determine whether or not people are eligible to receive assistance and so they are carrying on.

Mr. DENTON. They are more for rehabilitation.

Mr. COHEN. Most of them who make these investigations at the local level are not social workers at all. If you look into the situation, as far as the individual in the local office who makes the eligibility or ineligibility determination, they are not social workers.

Mr. DENTON. Depends on what you call social workers. I know what happens in my district.

Mr. COHEN. These people are not social workers.

Mr. DENTON. Who is going to do the actual work of reviewing these individual cases?

Secretary CELEBREZZE. Mr. Denton, it is my understanding that the staff would do it under the observation of the General Accounting Office as Mr. Cohen just pointed out.

Mr. DENTON. They are going to do the final review of the case?

Secretary CELEBREZZE. The staff itself is going to do the final review of the cases that we investigate but it will be under the critical eye of the General Accounting Office.

I think there are two things here which are of vital importance, that we can't just skip over. The fact is that the man that did the investigation in the District is also a member of our advisory committee and we do have the General Accounting Office in on it.

Mr. DENTON. That was done under your agency, to a certain extent, wasn't it?

Secretary CELEBREZZE. No. This was an independent investigation.

Mr. DENTON. Who made that investigation?

Mr. COHEN. The District of Columbia investigation was made by the investigators or social workers of the District of Columbia under procedures developed by the chief investigator and under the surveillance of the General Accounting Office.

Mr. DENTON. I didn't understand that the General Accounting Office had that much to do with it.

Mr. COHEN. Yes, sir.

PREVIOUS ESTIMATES OF NUMBER OF INELIGIBLE RECIPIENTS

Mr. DENTON. These same type of people you say will make the survey have made reviews in the past, and I assumed Secretary Ribicoff used that as a basis when he said a little over a year ago:

The information of the administrator is that special studies by independent experts all indicate that the portion of ineligible persons who receive assistance is not over 1½ percent.

Secretary CELEBREZZE. It was either 1½ or 2 percent.

Mr. DENTON. Now, 6 months later, the District of Columbia investigation shows over 50 percent.

Secretary CELEBREZZE. Well, the District of Columbia investigation again, I must insist, Mr. Denton, is just a situation that stands by itself. They do not have adequate personnel to handle the program and I think that the congressional committee who has now disclosed this, and brought it to the forefront ought to spend now, as much time, on seeing—since they have some jurisdiction over the budget of the District of Columbia—of seeing to it that they are properly staffed. We have been trying to assist the District of Columbia in finding a Welfare Director. We are having a difficult time; but the whole problem here in the District is one of inadequate staff and you are going to alleviate the situation if you get adequate staff here.

OTHER PAST INVESTIGATIONS

Mr. DENTON. Well, now, about investigations. I spoke about one when I was in the legislature. Back in 1937, I was on a committee that made investigations in the city of Indianapolis. That was a fight between Wayne Coy, who afterward became the Federal Security Administrator, who was a State administrator at that time—one side, and the local welfare officer in Marian County on the other.

We turned up an awfully bad situation there. I have a number of magazine and newspaper articles about investigation of welfare in other places. They present both sides of the question. And I want to say that I think welfare got the best of the argument because the people who were against welfare prejudiced their case by picking out the welfare cases that were bad, and tried to discredit social security, and unemployment insurance, and the veterans' benefits, but there were many cases which showed fraudulent claims were put under welfare. There are quite a number of articles here, and it seems there have been investigations in New Jersey, Chicago, New York, Detroit, West Virginia, Pennsylvania, California.

West Virginia, I think, showed 10 to 15 percent of fraudulent cases. These practically all showed fraudulent cases.

Now, some of them were explained. Congresswoman Griffith put in articles from a Detroit newspaper about such investigations there. The cases that looked very bad were explained in the article, and I think, showed why they were not anywhere near as bad as thought; and Judge Fitzgerald said he didn't think over 1 percent were fraudulent.

There is one statement that interests me very much and that was the mayor of Cleveland thought that the abuses in aid to dependent children were so bad that he arbitrarily cut them back 20 percent. I read that in one of these articles.

Secretary CELEBREZZE. Which mayor?

Mr. DENTON. That I don't know.

Secretary CELEBREZZE. What year?

Mr. DENTON. I could not tell you. I will have to find it.

Secretary CELEBREZZE. You have to understand the total structure. Again, it varies from State to State. In the State of Ohio, relief is the primary obligation of the State. The State sets the standards, but the local communities pay the bill.

In other words, the State tells you how much each family is entitled to; how many pairs of shoes; what kind of clothing and so forth. What they need to live on.

The local jurisdiction reserves unto itself, the amount of money that it will pay out. For example, we would put in our budget \$2 million for relief at the beginning of the year, and balance came from State excise tax and our State matching funds, which would probably total about \$7 million; but \$2 million came out of the general operating funds. If in the course of a year, we saw that that \$2 million was not going to last a whole year, we had to make a decision. One, shall we exhaust the funds completely, and in the last 2 months of the year cut people off the rolls; or shall we reduce the amount that we pay each individual on the rolls, and invariably, we reduced the amount. We reduced it from 100 to 80 percent, to stretch it the whole year, so that no family went completely without help.

I don't recall—it couldn't have been any other mayor than myself, because the ADC program did not come into effect until when?

Mr. COHEN. 1936.

Secretary CELEBREZZE. No. I was not the mayor.

Mr. DENTON. That was mentioned in the U.S. News and World Report.

I just made a note when I read it because I thought that was interesting.

Well, anyhow, I am coming back to what I said a few minutes before, and what you have said yourself just now, showed this is an unfortunate law.

The State legislatures enact the welfare laws. The States, local government, and Federal Government all contribute to the fund. As you say, every State is different. The District of Columbia is different from West Virginia, and vice versa. It is just not fair for me, in Indiana, to pay the same taxes that they pay in—well, should I say Oklahoma, Mississippi, Louisiana, when they get much better benefits.

I am just using that as an example. I do think these articles in magazines and newspapers I referred to show the authors of these articles who oppose Social Security and similar legislation, have used these abuses in welfare to discredit other legislation we are interested in.

Secretary CELEBREZZE. My basic experience comes from the number of years that I have had to handle the local problems. The vast majority of people on assistance were needy people, but unfortunately, if you get one bad one, they make the front page of the newspaper, and then you have people whose whole theory is, "No welfare payments to anyone." "I took care of myself." "My parents took care of me." "Why should I pay taxes to take care of somebody else?"

Those who have that attitude, they pick up one, two or three cases, and just blow it completely out of proportion, and create an unfortunate attitude. You don't read much of the cases that we do of the children that have been helped, have gone out, and become decent citizens in this country of ours, because somewhere along the line, they received this assistance.

Mr. DENTON. I think the articles are pretty fair about that. There is one by the AFL-CIO that covers just what you said.

Secretary CELEBREZZE. I wish we could live to the day, Mr. Congressman, when no one would need assistance and everybody would be self-sustaining, but I am afraid that is a great many years off.

Mr. DENTON. Do you think when we told them in 1935 that everything would be under the social security system, that we told them the wrong thing?

Mr. COHEN. We did not tell them that, with respect to the ADC. We only said that with respect to old-age assistance, because there was never any intention to insure, under social security, the matter of broken homes, or illegitimacy, or unmarried parents. So that statement has been misconstrued to apply to ADC, when it was only intended in 1935 to apply solely to old-age assistance.

PROPER STATE USES OF GRANT FUNDS FOR ADMINISTRATIVE EXPENSES

Mr. DENTON. Here is another thing about welfare workers. I don't know what you can do about it, but in a great many places, welfare administers general relief. Now, that of course, is paid for locally, and not by the Government, but they are in the same office.

Now, what steps do you take to be sure that the Government is not paying for the administration of general relief?

Mr. COHEN. We have a system of cost accounting, Mr. Denton, in which the States have to clearly differentiate their administrative expenses according to a system of accounting established by the Federal Government. That is audited.

Mr. DENTON. Is there any danger that Federal funds will be used for something that is a State responsibility?

Mr. KELLY. Cases will arise from time to time.

Mr. DENTON. The welfare office in my district has told me that a great deal of their work has been as probation officer for the judge. That is very fine, for the judge to have a probation officer, but is that paid for by the State funds?

Mr. COHEN. No, sir.

But we do have questions. Now, let's go back to the problem that you raised about the deserting father.

Mr. DENTON. That is right. I think you should take a part in that.

Mr. COHEN. You see, there are many States that come in and say: "Why don't you pay for the lawyer on the district attorney's staff who is going to prosecute these cases?"

Well since that person is not an employee of the welfare department—he is an employee of the district attorney—we can't, under our system, pay for that administrative cost.

Mr. DENTON. Of course, you could have him handle divorce cases where there is no support.

Mr. COHEN. Where the welfare departments have their own lawyers, or where the attorney general assigns a lawyer to the welfare department for legal purposes, and he is clearly on the staff of the welfare department, we will pay for it.

Mr. DENTON. The judge is going to put somebody on probation, and he turns them over to the welfare office to report.

Mr. COHEN. Yes, sir.

Mr. DENTON. Now, that is strictly a State function. Now, is that paid for by Federal funds?

Mr. COHEN. If the individual who checks up on the case is an employee of the welfare department, and that family were an ADC case, they would be properly, an administrative cost.

Mr. DENTON. Say it is not an ADC case.

Mr. COHEN. Then it would not be.

Mr. DENTON. I am glad to have probation officers in my district, but did you make any check on that?

Mr. KELLY. Yes. I think that there are a couple of checks.

One, when we make an administrative review. That is, when our regional representatives go out and examine the State operation, they have a responsibility for seeing that there is a system in effect, for distributing the time and cost. So that there is a separation; and then when the grant-in-aid auditors get in, they are supposed to verify that this system is being followed.

Now, we have had cases brought to our attention, where it was determined that there was an improper allocation, and as soon as we know about it, we take action to correct it.

Mr. DENTON. The statement was made in my district, if they had welfare operate, the stamp plan for distribution of surplus foods, it would only cost the county \$11,000 and the Government would pay \$18,000; the State would pay \$20,000.

I don't think you have anything to do with that, do you?

That is an agreement made with the local people?

Mr. COHEN. I don't identify it by what you say.

Mr. DENTON. Some people thought this was general relief which local government should pay for and wanted to know why the Government paid this money on the condition Welfare administered the program.

Mr. COHEN. If you give us the specific facts about it, we could look into it but I don't—

Mr. DENTON. All I was given is what I told you. All I know is what I read in the newspaper about this breakdown.

Mr. COHEN. Yes, sir. I don't identify anything from what you say.

Mr. DENTON. I asked about it. I never have gotten an answer either.

Mr. COHEN. Does this have to do with the distribution of surplus food?

Mr. DENTON. You know what the food stamps are.

Mr. COHEN. The food stamp plan is entirely a matter of the Agriculture Department.

REGULATIONS ON LOCATING ABSENTEE PARENTS

Mr. DENTON. You have some regulations that you put out about illegitimate children.

Mr. COHEN. Which ones do you refer to, Mr. Denton? We have several.

Mr. DENTON. They are numbered eight-three-hundred.

Mr. COHEN. Could you let me see it? I will identify it.

This instruction that you handed me is the matter of locating the deserting parents that we have referred to before. This is the new material that has been inserted in the handbook of public assistance administration, to carry out the point that I made earlier. Each public assistance agency must have a unit to deal with a matter of locating absent parents, and these instructions, which are binding upon all of the States now, indicate what this central unit for locating absent parents must do. The criteria for selecting cases to identify how the administration of this plan is working is outlined. This new requirement was effective July 1, 1962, pursuant to the new policy.

SOURCES OF SPECIAL INVESTIGATORS

Mr. DENTON. Now, you have 60 people from the welfare office doing this investigating.

What branch do they come out of?

Mr. KELLY. Family welfare, both central office and regional office.

Mr. DENTON. From which branch—old-age assistance; aid to dependent children; medical aid; blind and total disability.

Which branch do they come under?

Mr. KELLY. Well, they wouldn't come under a branch with such a name. For the most part, the field staff of the Bureau of Family Service is located in our nine regional offices, and each regional representative and assistant representative has a responsibility for a State or a group of States with respect to all of their public assistance programs and it is not organized by categorical program.

Mr. DENTON. Where did the 450 come from out in the field? Where did they come from?

Mr. KELLY. The 450 are employees of the State and local welfare departments.

Mr. DENTON. Who is doing their work while they are doing this?

Mr. KELLY. This is a real and serious problem, Mr. Denton.

Mr. COHEN. It is being held up, in effect, Mr. Denton, to be very frank with you.

REGULAR DUTIES OF SPECIAL INVESTIGATORS

Mr. DENTON. Now, just what do these people do?

Mr. COHEN. The Federal people or the State people?

Mr. DENTON. Just what do they do?

Mr. KELLY. You have the personnel that are responsible in the central office, for the review of State plans, for the development of policy and procedure, and for a certain amount of field visitation.

Then the larger part of the staff comes from our regional offices that have the responsibility for making the administrative reviews. These are the periodic administrative reviews of the whole operation

for reviewing State plans and for rendering assistance, which at the moment, is particularly important because we have the new Welfare Amendments of 1962, and have had no additional staff made available to us to implement those.

Mr. DENTON. Who is doing their work while they are out doing this?

Mr. COHEN. It is just not being done.

Mr. KELLY. This investigation is being identified as higher priority work.

Mr. DENTON. Are you getting along with it?

Mr. COHEN. Well, we just started in January, so we have not had the full report yet, but if this continues as it shall for 3 months, there will be a tremendous backlog of regular work that will have been held back because of giving higher priority to this investigation.

Mr. KELLY. We do have a supplemental request pending before the Congress for additional staff.

DUTIES OF WASHINGTON WELFARE STAFF

Mr. DENTON. How many do you have in this office in Washington, in this phase of Welfare—not the Children's Bureau?

Mr. KELLY. Without having a specific figure in front of me, I would estimate it at about 250.

Mr. MILES. In Washington.

Mr. KELLY. Yes, in Washington.

Mr. DENTON. Mr. Miles said this was a State program. You match funds. What do these people in Washington do?

Mr. KELLY. We have a responsibility for establishing what the Federal regulations are, in carrying out this law. Just the kind of document that you were just going over with Mr. Cohen, had to be developed by this staff, establishing what the Federal requirements were.

Mr. DENTON. You mean you write regulations?

Mr. KELLY. That is right. Then, we review the State plans for conformity with those regulations.

We review operations to try and identify the best procedures and the best policies so that we can promulgate them to other States and other localities, so that they can use them.

For example, there has been significant improvement in the use of electronic data processing for the handling of records and for the payment of checks to recipients in some States. We have endeavored to get the information which is being done in one State, make this knowledge available to the other State, so that they can improve their work.

Mr. DENTON. They are doing that in practically every branch of the Government now.

Mr. LAIRD. There are salesmen who are very willing to do that, too.

Mr. DENTON. They are doing that everywhere, keeping records in these machines. That is what they tell me every place.

Mr. KELLY. Oh, yes.

They establish what services are eligible to be matched at the 75-25 basis, because they aid in the rehabilitation of the family and provision of services, as distinguished from the straight administration of the program.

TRAINING WELFARE WORKERS

Mr. DENTON. Another thing, would you put in the record how much money is being spent for training under this program? It is all scattered around. I had a hard time getting it together.

Mr. KELLY. I will say the Congress has enacted a law several times authorizing specific authority for the training of public welfare workers, but Congress has never funded that. The States can, under their regular administrative expenses, incur costs for training, and we do know the proportion which we use for that purpose.

Mr. DENTON. You do have quite a bit of money in here for training.

Mr. KELLY. We have requested \$2 million.

Mr. DENTON. For training.

Mr. KELLY. For a training program.

Mr. LAIRD. That isn't an answer to his question. You are spending more than \$2 million right now.

Mr. KELLY. Yes. I said, under the regular State matching for administration purposes; I will provide that.

Mr. DENTON. That is on a 70-30 basis.

Mr. KELLY. No. It has been, up to now, on a 50-50 basis and certain services can now be matched on a 75-25 basis, and the training of social welfare workers would meet that definition.

Mr. DENTON. Would you put those both in the record?

Mr. KELLY. Yes, sir.

May I say we have had enough experience to know how much increased activity we will get out of the increased matching.

(The information requested follows:)

TRAINING OF PUBLIC WELFARE PERSONNEL

Total funds requested for training of public assistance personnel for fiscal year 1964 are included in the following two appropriation accounts:

Grants to States for public assistance, \$4,733,000

This is an estimate of the amount of Federal funds which the States will request under titles I, IV, X, XIV, and XVI of the Social Security Act related to those provisions under which the Federal Government matches 75 percent of the funds spent by the States for training of State personnel. In addition, it is estimated that the States and localities will spend \$1,578,000 for training purposes. These funds will be used by the States for educational leave and staff training, predominantly oriented to preventive and rehabilitative services for public assistance recipients.

Training of public welfare personnel, \$2 million

These funds will be used by the Bureau of Family Services for two purposes:

(1) To conduct short-term seminar and special project training for key State staff development personnel such as training staff, case supervisors, county directors, and program directors. This work will be carried on by staff of the Bureau of Family Services and through contracts with individual experts, universities, and other organizations. This will enable the persons trained to, in turn, develop and carry out training in their respective States. (\$1 million.)

(2) To make grants directly to universities for them to provide traineeships and fellowships for students to work in the public assistance programs and to help finance the cost of about 40 teaching positions to help assure that more academic resources exist for the training of public welfare personnel. (\$1 million.)

Activities under this latter category were authorized by the 1962 welfare amendments and will complement State inservice training activities that will be supported under the 75-25 matching ratio in the regular public assistance grant program.

Mr. DENTON. Some years ago when I was in college, I studied sociology. And I am not opposed to training workers, but here is my difficulty, that I have with your welfare program.

In my district, in the rural area, you put a substantial local person in charge of the welfare program. And they do very well. They know the people. The abuses that I heard about in the District of Columbia would not happen there, because they know the people.

Where we have trouble is where we have the trained welfare workers, and they don't know the people. That is the main thing. I find that they are a little bit rude in a great many cases. Of course, that is absolutely unnecessary.

Isn't there some way you could teach these trained workers to know the people? Now, that is what they don't know.

Mr. COHEN. Mr. Denton, most of the people in the welfare program are untrained. I think the ones that you would find rude, are the ones that are not trained. As far as I know—and I taught for 5 years in the school of social welfare; every one of the 60 schools of social welfare that train these people has the fundamental principle underlying the whole educational curriculum of politeness, and the matter of being conscientious about their responsibilities. I think I would be willing to lay money on the fact that the people that have been rude, or the people who have not been diligent, are the ones who are not trained.

Mr. DENTON. Well, I don't know. They are supposed to be trained. I don't know how much education they have. They do have enough education to get the job.

Mr. COHEN. That is because in many of the States the qualification for training for workers in welfare is a high school education, and in some of them——

REHABILITATION PROGRAM MONETARY RETURNS

Mr. DENTON. Let me ask you one thing, if you get this money you ask for rehabilitation, how much can you save by that?

Secretary CELEBREZZE. Money that we are asking, the increase in the rehabilitation program?

Mr. DENTON. Yes. How much can you save on the program by this money?

Secretary CELEBREZZE. Do you mean, how much we will reduce our cost next year, from what we are asking this year?

Mr. DENTON. Yes.

Secretary CELEBREZZE. I doubt whether we will reduce our cost.

Mr. DENTON. You reduced it \$17 million from what you had last year.

Secretary CELEBREZZE. That is right. We extended our program to retrain or rehabilitate more people. We had 100,000.

Mr. DENTON. You are asking more money for that.

Secretary CELEBREZZE. And 123,000 people in 1964.

Mr. DENTON. What I am trying to get at, Mr. Secretary, if we give you more money for rehabilitation, how much would you save on the outlay by it?

Secretary CELEBREZZE. I could not possibly——

Mr. FOGARTY. It is fairly easy to figure out.

The general estimate is that for every Federal dollar we spend, about \$15 will come back.

Mr. COHEN. I think the difficulty there, Mr. Chairman, is—

Mr. DENTON. Could we do this? If we give you a dollar for rehabilitation, we can take \$15 off of payment of benefits?

Mr. COHEN. No, you can't, Mr. Chairman, because that is using a vocational rehabilitation concept. That is the ratio on vocational rehabilitation.

Now, I don't think you can rehabilitate most of these vocationally, you see. That is the difference in the concept.

Mr. KELLY. He is going back to the Vocational Rehabilitation Administration budget; not the additional welfare expense.

Mr. MILES. He is talking about vocational rehabilitation.

Mr. DENTON. You are asking for a certain sum of money to rehabilitate people by vocational rehabilitation.

Now, we gave you some money last year and you said you saved \$17 million. Now you are asking to increase it. Now, if we gave you the increase, how much is it going to take off of the expenditures for benefits?

Secretary CELEBREZZE. It will not take any off because we are expanding our program. That is the point I am trying to make to you.

Mr. DENTON. No. No. Here are two things, Mr. Secretary. One is the money you give workers to rehabilitate.

Secretary CELEBREZZE. Yes.

Mr. DENTON. Now, after you rehabilitate, you don't have to give them benefits.

You said you saved \$17 million by what we gave you last year, by rehabilitating people. I want to know how much you are going to save by this extra money you expect to get.

Mr. KELLY. May I say, I don't think we specifically know the answer to your question, but we do know that it should be as great or greater than the \$18 million of last year.

Mr. DENTON. How much?

Mr. KELLY. As I say, I don't know, but assuming it was the same percentage, that the same percentage of rehabilitation money was invested in the people on the assistance rolls, as was the last time, we could figure it out and probably come out with \$22 or \$23 million; but I think you have to bear in mind that a substantial part of the year we will have a lapse before the savings will have occurred, if the people are on the rolls, until you have gotten them a job; until you have accomplished the rehabilitation.

Mr. DENTON. You saved \$17 million last year. We can figure it on the same basis.

Mr. KELLY. Yes, the \$17 million is perspective. Now, we hope—we can't assure you—we have predicated to the best of our knowledge and ability what the public assistance rolls will be in 1964, taking into account the kinds of things that we expect to happen, but we don't spend the money unless the person is actually on the rolls.

SPECIAL DISTRICT OF COLUMBIA PROBLEMS

Mr. DENTON. Let me put the problem this way. Put yourself in our place. Right under our nose, under our eyes, we have had an investigation in the District of Columbia that shows 50 percent fraud-

ulent cases. We do know that there is fraud all over the country, generally. You are conducting this investigation.

Now, of course, the other body undoubtedly is going to wait until they get that report from you on the investigation. Now, if it is as bad over the country as it is in the District of Columbia, you don't need but half of this money you request. Now, what are we going to do about this question.

Secretary CELEBREZZE. First of all I disagree with the assumption that it is as bad throughout the country. Again, basically, because I don't think you will find another setup which is, from an administrative point of view, as bad as you have in the District. You will now find throughout the country, that many of these other States have adopted certain programs, which the District of Columbia did not adopt. Therefore, they are legal in those States, but would be illegal in the Washington, D.C., area.

So that I don't think that the percentage will be——

Mr. DENTON. I think the District of Columbia is rather liberal on welfare.

Secretary CELEBREZZE. I don't think you can use the District of Columbia as a gauge throughout the Nation, because you have a completely different physical setup here of government. I have never seen anything like it—that you have here in the District of Columbia. I will be perfectly frank with you, as the mayor of a town.

Mr. LAIRD. Will you yield to me a minute?

Mr. DENTON. Yes.

Mr. LAIRD. I just can't understand this. With the Department of Health, Education, and Welfare being located here in the District of Columbia, Mr. Secretary, why would the worst conditions be here, where you have all this supervisory personnel? It was never called to the attention of Congress at any time. You have all these people that you just listed, that are supervising the program, investigating, looking over plans, writing up programs, and then right here, under the nose of the Health, Education, and Welfare Department, you say now we have the worst situation of any place in the country.

Secretary CELEBREZZE. Yes; because this particular phase of the eligibility ruling in the District went into effect in 1955, and the fact is that these programs are run on a local level.

Mr. LAIRD. Well, why is the District so much worse than any other place?

Mr. COHEN. Because they haven't had the staff, Mr. Laird. Congress and the District administration did not see to it that they had the competent staff to supervise it.

Mr. LAIRD. What kind of recommendations did you people make?

Mr. COHEN. I don't know what the situation was.

You see, we treat the District of Columbia like a State.

Mr. LAIRD. Yes; but here it is, right under your nose. I can't understand why this would be the worst place in the country when you are located right here.

Mr. KELLY. Well actually, we don't supervise it from here. We supervise it from our Charlottesville, Va., office.

Mr. LAIRD. Is that to make it a little more complicated?

Mr. KELLY. No. We are working with the departmental staff, which has a responsibility for the development of policy and pro-

cedure and the appraisal of performance of our field staff, and then our field organization, and our contacts with States and communities, are organized into nine geographical areas. The District of Columbia is one of the States that is supervised by our regional offices. In this instance, it is supervised and is examined by an office that is located in Charlottesville, Va.

Mr. COHEN. I think you have a good point.

I think the reason for the difficulty is this:

Since Congress is the legislative body for making appropriations to the District of Columbia, I think that what happened is that our staff and the Department did not want to exercise its independent judgment as to what staff and money should be available, because the congressional committees were doing the appropriating. So over 7 years, what happened is that there was a general deterioration in the quality, in the amount of staff, in the supervision in the District of Columbia, which I think has come down to a very appalling situation.

TENDENCY TOWARD WELFARE AUTONOMY

Mr. DENTON. This has worried me a long time.

I am surprised to hear you say that welfare paid any attention to Congress at all. Here is one agency that we are asked to make appropriations for. Now, they are laughing at us when we say something. We suggest that they spend less; we suggest that they reduce administrative expenses. They say, "We spend so much money and you are going to have to match it." They tell me—the local legislative body in my county, the county council—tells me they have the same experience.

The State legislature tells me that they have the same opinion. It is a body that is a law unto itself.

Mr. COHEN. Which body, sir?

Mr. DENTON. The welfare agency.

Mr. COHEN. In the State.

Mr. DENTON. That they are responsible to no one. Now, I think that is half of your trouble right here. Anybody that admits welfare or relief is in trouble, anyhow.

Mr. COHEN. That is correct.

Mr. DENTON. I spoke about my local welfare administrators as substantial citizens. What happened in the District of Columbia I am sure did not happen in those counties, because the welfare director knows the people.

Well, the Secretary has been an elected official. He knows, when you are an elected official, if you do something wrong, everybody is on your hip. Things that happened in the District of Columbia could not happen in the rural areas when either an elected official or a substantial appointed citizen administers welfare or relief.

Here is what worries me about this agency. It's responsible to nobody.

Mr. COHEN. It should be responsible to the legislature.

Mr. DENTON. Let me show you. Suppose we tell you to spend less money. What will you tell us? You would laugh at us, wouldn't you?

Mr. COHEN. I would not do that, sir; no.

Mr. DENTON. Not to our face.

Mr. COHEN. I think Congress has the right to change the law if it deems it proper to do that, but if you tell the States or the cities or the Federal agency, I think you have to put the criteria into the law as to how to reduce those costs, because the present law——

DELAY IN OBTAINING SAVINGS FROM INVESTIGATION

Mr. DENTON. Well, let me give you a couple of ways I think you could do it. I wish this had been in your justification.

First, I think you can make a much greater effort than you have been doing, to see that fathers support their children.

Mr. COHEN. We would agree with you on that.

Mr. DENTON. Another thing, I certainly think that these fraudulent cases should be investigated to the limit.

Mr. COHEN. We would agree with you on that, too.

Mr. DENTON. How much do you think we can take off because of what your investigation is going to show?

Mr. COHEN. I think that depends on what shows up in this particular investigation.

Mr. DENTON. It is——

Mr. COHEN. It is going to be spent before we get through. What are we going to do about it?

Mr. KELLY. May I add something to it, Mr. Denton? Let me just assume for the moment—I don't want to make the assumption as high a figure as the District of Columbia investigation showed but let's just assume a figure as high as 10 percent of the cases in this sample were found to be ineligible. I just want to make it clear to you that you could not just automatically say that the appropriation is 10 percent too large, and reduce it. What you have to do, if the sample says that 10 percent are not eligible, is to make an investment of the time and energy of the staff to identify the whole 10 percent, because all this study is going to do is identify the ineligibles in the sample. Until you have identified all of those 10 percent, you cannot make the savings, because you have to get the person who is ineligible off the roll.

This is what the District is now trying to do.

Mr. DENTON. These 225 people working up here, they cannot do it?

Mr. KELLY. What these people are now doing, what this study—where we have the 60-some-odd people assigned to this study, and the States have 450 people assigned to it, in the course of a 3-month period, we are going to make a sample—an analysis—of a cross-sectional sample of all persons on the role and this is going to show the Congress and the administration how serious the problem is—whether or not there is a significant number of ineligibles. If it showed the problem was serious, you then would have to concentrate on identifying the individuals that were ineligible before you could save the money. You cannot save it on the basis of a sample, is the point that I want to make.

Secretary CELEBREZZE. You are aware, Mr. Congressman, that this is what we call an open-end appropriation?

Mr. DENTON. I know that all too well, that is part of the trouble.

Secretary CELEBREZZE. Where we are required under the law to match?

Mr. DENTON. Yes. Yes.

Mr. LAIRD. We may make some changes in that, though. We can change that, you know, any time, and I agree with Mr. Denton on this particular point.

Secretary CELEBREZZE. Yes. The Congress has the right.

Mr. DENTON. I talked about this at some length, because I am interested in the social security program.

It is hard to realize, but when this social security law was passed, Mr. Laird's State of Wisconsin, and mine of Indiana, were the two most progressive States in the Union. They had quite a race, as to which would enact the law first. It is hard to realize that today, I know.

Let me just finish this up, Mr. Secretary. I talked about this at some length because I am interested in this particular program. I think that abuses in a particular program are hurting the whole welfare program. This agency is certainly somebody that we can't do anything with. We might pass some new laws; that would be about all.

Mr. FOGARTY. You can always cut off the appropriations.

Mr. DENTON. They come back again for a supplemental, under this open-end law, so what good would that do?

Mr. CELEBREZZE. Mr. Congressman, as I stated earlier, that was one of the reasons why I decided to start up this separate Welfare Administration, to give closer attention to this thing.

Mr. DENTON. I would just as soon see them over in the other welfare group—I mean, social security. It looks like we are trying to separate them even more. I wish there was more emphasis on seeing this welfare head toward its object of being merged with social security.

Now, you can't expect the welfare people to ever work that way because, as I said before, no man is going to work to get rid of his own job. It is going to have to be higher up, but I do think it is a problem. It is a big problem for all of us.

That is all.

ACTIONS TO INVESTIGATE AND HALT ABUSES

Mr. FOGARTY. Before Mr. Laird takes over, Mr. Secretary, this investigation started in the District of Columbia, and as far as I know, and from what has been said here today, shows there are a great many discrepancies in this program; as much as 50-percent ineligibility in the District of Columbia. I think in some respects, it may be the fault of Congress, because I sat on the Appropriations Committee for the District in 1947 and 1948 and I was glad to get off in 1949 to be honest with you because it is a real problem. But I agree with you, it shouldn't be taken as an example of the rest of the country. We just cannot say that there is 50-percent fraud in the ADC program in every major area in the country. But what are you doing about it?

Secretary CELEBREZZE. I did three things. First of all, through an administrative order a greater control process has been put into effect.

We have taken the other step of course, of bringing in, within our boundaries, one well experienced in the ways and means of how States operate on welfare. That is Dr. Winston.

And yesterday, after a conference with Dr. Winston, we sent a memorandum to the District, telling them to get their house in order as rapidly as possible.

Mr. FOGARTY. Well then you are doing something on a nationwide scale, too?

Secretary CELEBREZZE. Yes. On a nationwide scale, we are conducting this investigation which we are authorized to conduct by the Congress—the Senate committee.

Mr. FOGARTY. The complaint has been that you have selected social workers to do this investigating.

Secretary CELEBREZZE. I am surprised. Yes. That complaint has come up, now; but at the time we appointed the committee, I got no reaction or no complaint, about the makeup of the committee. It was only after.

Mr. FOGARTY. I just heard about it in the past week.

Secretary CELEBREZZE. Yes. It was only in recent weeks that I heard the complaint, and I was rather surprised about it. As I said, a representative of industry; a representative of welfare and a representative of labor are on the committee, although the committee is predominantly made up of welfare people.

Mr. COHEN. I think now, Mr. Secretary, after going over this, I think we have definitely indicated to those who were critical, that this whole process is based on the sound sampling basis; proper administration in the States, and further surveillance by the General Accounting Office, so that I feel we have definitely answered this criticism successfully.

Mr. FOGARTY. All right. Now, are you continuing with this investigation?

Secretary CELEBREZZE. Yes.

Mr. FOGARTY. On your own?

Secretary CELEBREZZE. Yes. In conjunction with the General Accounting Office.

Mr. FOGARTY. You are going to keep it up. You are going right on through with it?

Secretary CELEBREZZE. Yes, we have to make a report to the Senate committee. We had asked for a 6-month period in which to do it but they insisted we do it in 3 months. They cut us back to 3 months.

Mr. COHEN. There are two facets of it.

There is a 3-month study which the Senate committee has asked us for, and we will make a report to them based on January, February, and March; but the Secretary has also instituted a permanent program of quality control investigation, which will continue after March, and which would be the basis for a perpetual surveillance of the States, in this matter.

Mr. FOGARTY. Is there a senatorial committee making the same sort of an investigation?

Mr. KELLY. No, sir.

Secretary CELEBREZZE. No. They instructed us to make it.

Mr. KELLY. We are working with the Senate Appropriations Committee, in developing this.

Mr. FOGARTY. They have instructed you to make the investigation so you are making it for them.

Secretary CELEBREZZE. That is correct.

Mr. FOGARTY. And when will the report be made? In April sometime?

Mr. KELLY. No, sir; there was originally going to be a preliminary report, say, by the end of March, but it would have very little information, because the study would be so new, and the committee has waived the preliminary report, and said, "Send us the final report." I don't think that would be before the end of July.

Mr. COHEN. That is right.

DELAY IN STARTING INVESTIGATION

Mr. FOGARTY. There was another complaint, that it took a lot of time to start this investigation. I don't remember the dates mentioned.

Secretary CELEBREZZE. Yes, there was. First of all, on the matter of the committee, itself; on the best way to conduct this, I met just once with the committee, and then turned it over to Bob Ball.

The other was that I was devoting my time—at that time—most of my time on the drug investigation problem so I did not give too much personal attention to this matter, until I named the committee. They met and we had our staff people in our training program. We were ready to move on it, but there was some disagreement as to matters of procedure. I met with Senator Byrd, that is Senator Byrd of West Virginia, on it. And I think those matters were adjudicated in a memorandum that I sent out today, so I think we are ready to proceed.

Mr. COHEN. I should say this too, Mr. Chairman. When we first met with Senator Byrd, he said:

Take all the time you need to do a good study. Don't rush and do something fast—a "quickie" thing. That would not be acceptable.

So we instituted a very careful, new methodology, to deal with this problem by bringing in Mr. Galom, who was the chief investigator of the District; by bringing in the Assistant Director of the Census, who was an expert on sampling. That is what took the time; the preparation of the basic way of going at this, and we were encouraged to do that, in order that it would not be a quickie that would turn out to be unacceptable.

Mr. KELLY. I think you also have to add that we have had problems. We were trying to get off the ground, not knowing where the resources were coming from for this study; not knowing how we could apply money to it. We were before the Congress with a supplemental request to carry out the new welfare amendments, so that the Bureau of Family Services would be a larger organization, and greater resources would be available. That supplemental failed of enactment in the Congress and we have had to eke out the development of this investigation with what we considered to be grossly inadequate resources.

Secretary CELEBREZZE. There is one thing we can assure the Chair—

Mr. FOGARTY. Is West Virginia in a better shape than any other State?

Secretary CELEBREZZE. We don't know at this particular time. One thing that I can assure you is that the Department is anxious to learn the facts in this case, let the chips fall wherever they may, because you

cannot get adequate remedies unless you have the full facts before you, whether they are good or whether they are bad.

Mr. FOGARTY. I think that is the right attitude to take. I think that is the way this committee would like you to proceed.

Well, Mr. Laird, it has been a long time since Mr. Celebrezze started; but you have been very patient. The witness is yours now.

INCREASE IN BUDGET REQUEST

Mr. LAIRD. Mr. Secretary, I note on page 2 of your statement that your 1964 appropriation request for existing programs totals slightly under \$5.8 billion; and new legislative proposals being submitted to Congress would add about \$1.4 billion.

This means an aggregate of some \$7.2 billion, as far as your overall budget for 1964. Is that correct?

Secretary CELEBREZZE. Yes.

Mr. LAIRD. On page 220 of the budget, there is a table that shows that for 1962, your appropriations totaled \$4.62 billion; and that some \$4.2 billion was expended out of that appropriation. This would mean an increase for fiscal year 1964 of some \$3 billion above what was spent in fiscal year 1962. There is an increase of about 70 percent in the budget of the Department of Health, Education, and Welfare. Is that correct?

Mr. KELLY. I would like to clarify it to this extent, Mr. Laird. The figures that are used, which add up to \$7.2 billion, are in terms of new obligational authority. The expenditures in the fiscal year 1964 are disbursed dollars out of the Treasury. Even if all the legislation were enacted, there would be approximately \$1,200 million less than that \$7 billion in terms of expenditure. There would be approximately \$6 billion or just over \$6 billion. They are in actual disbursed dollars, so if you compare it on the expenditure basis, the differential would not be quite that great.

Mr. LAIRD. Well, it is about that.

Mr. KELLY. In terms of new obligational authority.

Mr. LAIRD. In terms just of new obligational authority it is an increase of well over 50 percent in 2 years.

Secretary CELEBREZZE. Of course, that is assuming that our legislation goes through.

Mr. LAIRD. But the budget is predicated on the legislation going through.

Secretary CELEBREZZE. That is assuming we will get our \$1.4 billion for the new legislative authority.

Mr. LAIRD. We can go back and put this in proper balance by taking the unexpended balance into consideration, which I didn't do. I think you will find that will show a greater increase over last fiscal year, because under the administration of Secretary Ribicoff, he froze a lot of funds, and purposely did not expend funds that were appropriated.

EXPENDITURE LIMITATION

Mr. MILES. Mr. Laird, I think that the percentage increase in expenditures would run about a little over 40 percent. If it runs from \$4.2 billion in expenditures, up to a little over \$6 billion, that would be a little over 40-percent increase.

Mr. LAIRD. You would have no objection then, if we put an expenditure limitation in the bill based on this projection, in your budget?

Mr. KELLY. Sir, it is my own judgment, as a professional in the field of financial management, that the present system of appropriating funds, that is the establishing of new obligational authority, is the appropriate way for the Congress to control the executive branch. When you put controls on expenditures, you are saying how many dollars can be disbursed, even though you have heretofore authorized the incurrence of obligations. This can only result in a position that you are unable to pay the bills that you legitimately incur, and I myself think that an expenditure ceiling is an arrangement which I would recommend that the Congress not endeavor to use. If they are going to use it, that they be sure that it is appropriately related to the new obligation authority.

Mr. LAIRD. I did not want to get into a detailed discussion with you at this point, but most of your unexpended balance has been in the construction areas, Hill-Burton and some of these other construction areas.

Mr. KELLY. The construction funds and the construction grants carry forward the greatest amount of unobligated balance and unexpended balances, and new programs tend to move that up.

REDUCTION FOR HOSPITAL CONSTRUCTION

Mr. LAIRD. Under this proposal, you have made a severe cut in grants for general hospital construction. Evidently, you don't feel that there is a need for general hospital construction now, although testimony before the Ways and Means Committee would make one believe that this estimate of yours is not correct.

Secretary CELEBREZZE. For general hospital construction, we had \$100 million.

Mr. LAIRD. But you have cut back from the authorized program of Congress severely, and cut back from last year's program, so you do not believe hospitals are a real need in the country today.

Secretary CELEBREZZE. No, no. You are putting the wrong interpretation on that.

Mr. LAIRD. Well, that is the only interpretation I can place on that severe budget cut.

Secretary CELEBREZZE. I thought we explained it yesterday, that what we are trying to do is shift the emphasis from the rural to the urban and also shift the emphasis that we needed more nursing homes; also shift the emphasis that we don't need as much new hospital construction as we need renovation in some cases, and therefore, we transferred some \$50 million on that, but the total program still deals with the main subject matter, which is furnishing facilities for medical care.

Mr. LAIRD. Well, Mr. Secretary, I was not going to pursue this in connection with the unexpended balances, but as long as the subject is up for discussion now, perhaps we ought to finish with this.

Secretary CELEBREZZE. All right.

Mr. LAIRD. I personally don't follow your interpretation of this particular reduction by President Kennedy, as far as hospitals are concerned.

I read over the testimony before the Ways and Means Committee last year, and it would seem to me that if we are going forward with any kind of adequate medical program for the aged, that one of the real needs is hospital beds.

Secretary CELEBREZZE. One of the real needs is nursing home facilities.

Mr. LAIRD. Not hospital beds?

Secretary CELEBREZZE. You need a balance, because, unless you have your nursing home facilities, then many of these people that can be taken care of in nursing homes now occupy hospital beds at a much higher cost.

Mr. LAIRD. Now what did you do on nursing homes, compared with last year?

Secretary CELEBREZZE. Well, we are advocating that we put more money into—

Mr. LAIRD. Last year how much did you have for nursing homes?

Mr. COHEN. \$20 million.

Mr. LAIRD. How much this year?

Mr. COHEN. We have \$20 million. We have a \$30 million increase in the legislative proposals. That will come up to \$50 million.

Mr. LAIRD. But what I am talking about is figures here in this request?

Mr. KELLY. Both 1963 and 1964 are the maximum authorized.

Mr. LAIRD. That happens to be \$20 million?

Mr. KELLY. That is true.

Mr. LAIRD. Last year, the Congress provided the maximum amount of \$20 million for this particular area. In your table here, you have \$20 million. The only thing you are cutting back on is general hospital construction.

Secretary CELEBREZZE. No, I am not cutting it, for this basic reason, that we say—we are taking approximately \$50 million from \$150 million, and instead of putting that in the new construction, we put it in the renovation of existing facilities in which you can in some instances, just by renovating, get more hospital beds. There is no provision, under the existing Hill-Burton law, for renovation of existing facilities. And we feel that there is an area there, after our study, in which we must do something. We can either come in here and say, "We retain \$150 million under Hill-Burton, and ask you for \$50 million more under Hill-Burton," raising it to \$200 million, for the purpose of renovation, but we thought the \$150 million program was sufficient, if we put our \$100 million into it and \$50 million into these other areas.

Mr. LAIRD. Well, Mr. Secretary, I was going to pursue another point, but I think it should be mentioned that your budget presentation to us shows that you are actually going down in nursing homes, as far as obligations are concerned. And I direct your attention to page 188 of the committee print.

This shows that in fiscal year 1962 there was \$15,330,000 obligated. Fiscal year 1963, which we are presently in, obligations of \$23,380,000. Your obligation estimate for the fiscal year 1964, is \$20 million.

Now, that looks to me as if it is even a decrease in the area of nursing homes on an obligation basis, and that's where you get your construction.

Mr. KELLY. But the problem here, Mr. Laird——

Mr. LAIRD. Isn't that a reduction of \$3 million in your estimates of obligation?

Mr. KELLY. There is no reduction in our request for new obligation authority. The problem that occurs——

Mr. LAIRD. Even that is the same program. No increase.

Mr. KELLY. The amount that we are asking of the Congress is the maximum authorization for nursing homes.

Mr. LAIRD. Right.

Mr. KELLY. But the problem which exists here is that, in getting the nursing home program underway, that funds were not used as rapidly as they were made available. This prediction that in 1963 we will utilize the resources which you have made available to us, plus those which had accumulated, unused, puts a hump in the program, which cannot be continued, because you don't have enough authority to continue with the \$23 million in subsequent years.

Mr. LAIRD. But the facts are that the budget itself shows a decrease in this particular area of nursing homes and substantial cutback as far as general hospital bed construction goes.

Mr. KELLY. In the nursing area, the amount requested of the Congress is the maximum authorization in the law. Similarly the obligations for general beds as shown in the same table is shown as \$135 million.

They have a reduction of only \$15 million from the \$150 million estimated to be obligated in 1963 and because the \$50 million reduction has a delayed effect and we will have available resources to carry forward the main thrust of our program in 1964.

Mr. LAIRD. As long as we are on this question——

Mr. FOGARTY. I hope you will get this straightened out. I asked similar questions, Mr. Secretary. I think you should just admit the fact this budget does show a cutback in construction of general hospitals.

As far as the modernization of existing facilities is concerned, that takes legislation.

Mr. LAIRD. That is an entirely new program that has to be authorized before we can do anything about it in this committee.

Secretary CELEBREZZE. Yes.

Mr. FOGARTY. But the budget document before us does show a cutback in construction.

UNEXPENDED BALANCES

Mr. LAIRD. Mr. Secretary, the only reason I got into this question is that we got into the discussion of unexpended balance. This is one of these construction programs, which makes up the bulk of the unexpended balance. And you estimate you will have \$2.4 billion unexpended balance at the close of the year 1964.

Mr. KELLY. Well, the primary difference in the one I was referring to was \$1.4 billion in new legislative authority.

It is assumed only \$238 million will actually be expended in the fiscal year 1964 out of that, so the carry forward I was talking about was the carry forward of new legislation. And this is a general rule. The bill is enacted, particularly bills referring to construction grant authorities such as the new legislation does, that you have a substan-

tially larger appropriation in the first year than you will expend in the first year.

Mr. LAIRD. Yes. Then you double up on it in the next year.

Mr. KELLY. It takes several years.

Mr. LAIRD. As far as expenditures are concerned the funds will be expended sooner or later anyway. What you are actually doing is doubling up in 1965.

Mr. KELLY. I think there is no question about it. All I can say is we can measure expenditures in one year with expenditures in another year or we can measure new obligational authority in one year with new obligational authority in another year.

INCREASE IN DEPARTMENT BUDGET

Mr. LAIRD. I was using appropriation for the basis of my 50-percent-plus figure as the increase from 1962 to 1964, which is a rather sizable increase.

Secretary CELEBREZZE. I will say this to you: We have some rather sizable new programs which we have had to handle.

Mr. LAIRD. That is an interesting point. Perhaps it would be well if we weren't put in the position of forcing these programs on you. Perhaps you would like to throw a few of them out. I would just as soon have the Department of Health, Education, and Welfare establish some sort of priority listing because I am not one of those that wants to force a lot of new programs at you.

Secretary CELEBREZZE. Well, now, the point I am making is when we submit our budget to you we submit our priority list. When we submit our estimated new program for new legislation, we are submitting it to the Congress—submitting what we think is essential to carry out the program and protect the health, education, and welfare of this Nation.

LOBBYING

Mr. LAIRD. Do you also feel you have a responsibility to lobby for some of these programs?

Secretary CELEBREZZE. Of course we will lobby for them if we believe in them. If we believe in a principle, we will push as hard as we can.

The point I am driving at is that these programs were passed last year. I must admit it took me quite a while to catch on to the manner of budgeting here which is completely different from what I had been acclimated to.

So now we pass the legislation but don't pass the appropriations. So we had these programs for which we had no money. So we come in with what we call our supplemental appropriation which requires a great deal of money. So you say, "Now you are increasing your budget." We are requesting additional appropriations to carry on these new programs.

Mr. LAIRD. I understand that, but I think you understand too that the appropriation process is certainly much different than the authorization process in Congress and if we appropriate—

Secretary CELEBREZZE. Yes.

Mr. LAIRD. If we appropriate for all the authorized programs we have, we would not have just a \$98.8 billion budget before us. We would have a budget that would be at least \$30 billion more, just to fund the authorized programs.

But as long as we brought up this question of the Congress throwing programs at you—

Secretary CELEBREZZE. Well, I didn't quite mean that Congress was—maybe my choice of words was wrong.

Congress passed the legislation which puts some of the responsibility on us to see that the money is appropriated for these legislative programs.

Mr. LAIRD. Well, I think in all fairness to you, Mr. Secretary, that—

Secretary CELEBREZZE. I would not say Congress ever throws anything at us.

Mr. LAIRD. Last year every Member of Congress received a wire from you which was financed out of this bill. I took some interest in it because I have served on this committee for some time and I have been very interested in seeing that the funds that were appropriated to the Department of Health, Education, and Welfare are spent judiciously and effectively.

I have here in my hand a wire addressed to the Honorable Clarence Cannon, chairman of the House Appropriations Committee. This particular wire would cover several pages of a normal telegram. It was sent over your name, from your Department, which is a couple of blocks down the hill from the Capitol, to the 500-plus Members of the Congress.

The day I got this wire I was quite disturbed because I thought that the mail service was not too bad between HEW and Capitol Hill and if it was that bad we ought to go over and see Postmaster General Day and see if we could not get it straightened out.

I find that this wire cost \$3,500, or in that general area, to send this message up to each Member of Congress asking them to support a certain piece of legislation which the administration was interested in, H.R. 8900.

Now, my question is, Mr. Secretary, don't you think this is a violation of the law?

Secretary CELEBREZZE. Well, Mr. Laird, first I want to say I would have been extremely disappointed if you had not brought this subject matter up.

Mr. LAIRD. I assumed you expected it.

Secretary CELEBREZZE. And I had the opportunity to comment on it.

No; I don't think it is a violation of law. To recall the incidents which led up to the telegram, I think shortly after that I issued a public statement in which I said that the responsibility was mine and mine alone for the telegram going out, that I had requested a communication to go to the Congress but I failed to stipulate the manner or mode which was to be used and the staff used this mode. The responsibility is still mine.

But, regardless of that, and I have issued instructions since that time that no telegrams should come over to Congress, and I must say very few days pass by that I don't receive a telegram from a Congressman

over at my Department. They use this means of communication with me which I think is perfectly legitimate.

Mr. LAIRD. I hope not many of them are sending wires from here in Washington to you—

Secretary CELEBREZZE. Yes. Yes.

I will bring them to you, if you want.

Mr. LAIRD. No; I don't doubt your word at all.

I think I will call it to the attention of the House Administration Committee.

Secretary CELEBREZZE. I think it is proper. Personally I think it is proper. There is something about a telegram which I think you pay more attention to than a letter. But nevertheless, I think the method that was used in this case—and I take full responsibility for it—was very poor judgment and is not being repeated.

But I felt that since I had just come into the Department, as you recall, that the Congress was interested in what my thinking was on this particular education bill which called for expenditures, I think, of \$2 billion—\$2.5 billion; and I felt that perhaps I had to make my position known. The committee had met, come out with the report on this education bill, and I thought in sending over the communication to Congress I was fulfilling the obligation of the administration.

I still don't believe that an administrative office does not have the right to communicate with the congressional people. I think that is part of our system, of checks and balances, to exchange ideas. So I think in consideration of the magnitude of that particular bill, the effects it would have on the educational system of this country, I think the office was within its legal rights in sending over a communication of that nature.

Mr. LAIRD. Mr. Secretary, I just would like to quote to you section 1913, title 18 of the act, which reads as follows:

No part of the money appropriated by any enactment of Congress shall in the absence of express authority by Congress be used directly or indirectly to pay for any personal services, advertisement, telegram, telephone, letter, printed or written matter, or other device intended or designed to influence in any manner a Member of Congress to favor or oppose by vote or otherwise any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

It seemed to me that not only was the expenditure wasteful from the standpoint of communicating with the Members of Congress, but that there was some question as far as the law was concerned.

I realize, and I accept your statement that you did not know that this was being sent by telegram. You came out publicly and stated that immediately following the receipt of the telegram up here on Capitol Hill and—

Secretary CELEBREZZE. I may add, if I may, that I have received many communications from Congress to the contrary—that they were well pleased I had made my views known.

Mr. LAIRD. They defended the telegram idea?

Secretary CELEBREZZE. No. They merely said they were happy to hear from me as to what my views were.

I may also say that the matter was submitted to the Attorney General and the Comptroller General. But I may say to you that there is not a day that goes by—in fact I have part of my staff that does

nothing but answer communications from Congressmen on what our thinking is on a particular bill. That is regular procedure over there. I get hundreds of letters.

Mr. LAIRD. Well what did the Comptroller General say? I didn't realize—did you submit this?

Mr. KELLY. No; we did not. Some Member of Congress submitted it. I had an opportunity to informally see the reply but a copy was never made available to us. It is not a matter of public record.

Secretary CELEBREZZE. The point I think—

Mr. LAIRD. My point has to do with the expenditure of funds in that amount to take care of this particular—

Secretary CELEBREZZE. I think I am trying to give you the best explanation I can on the telegram. Now we are talking about the question, as I see it, as to whether or not I can write a Congressman a letter on a particular matter, and I say to you that my office is just loaded with requests from Congressmen on what the administration or my Department of HEW, thinks on particular legislation.

I send out at least 20 letters a day on that over my signature asking me to analyze bills which they have introduced; what the Department thinks of it; what is the policy of the Department.

I think that is not violating the law.

Mr. LAIRD. My only criticism is the expenditure of this amount of money which is in violation, I believe—"telegram" is specifically set forth in the law. If you want to deliver a message like that from your Department at any time, I would be glad to drive down to your Department, pick them up and deliver them myself to each Member of Congress on Capitol Hill for considerably less than this telegram cost.

Secretary CELEBREZZE. I am sure that won't be necessary. I am sure your talents and time are too valuable to be doing that.

DECREASE IN BUDGET

Mr. LAIRD. Well, before we got over here to this subject of the unexpended balances, Mr. Secretary, we were discussing the fact that this budget does represent a rather substantial increase, due to certain increases in existing programs and new programs which we have been giving you responsibility for.

Secretary CELEBREZZE. Yes.

I don't think we are in disagreement on that.

Mr. FOGARTY. But not as much of an increase as I would like to have seen.

Mr. LAIRD. The gross national product for the calendar year 1962 was \$544 billion according to the President's budget message. He estimated gross national product for 1963 at \$578 billion in framing this new budget which we are presently considering.

This is about a 4.4-percent annual increase, or about 8.8 in 2 years.

The proposed increase in your budget, in this 2-year period, is over 50 percent, or about six times the increase that the President talks about in the gross national product.

I have considerable concern in my own mind, Mr. Secretary, how long you can continue expenditures at such a disproportionate level compared with the increase in the gross national product.

Secretary CELEBREZZE. I think the President's message, if I remember correctly—and there have been a great many of them I

know—also says that the expenditures, for example in the field of education, is so essential that we must proceed at this time in that area in order to help the level of the gross national product.

He said this was a drag on the economy because of the unemployment, the unskilled people, because of juvenile delinquency, because of health problems. I am aware that in many past years there has been deficit spending in both administrations, both the Democratic administration and the Republican administration. And yet I think that basically there is an area sometimes where you are frankly compelled by economic conditions to go into further debt in order to pull yourselves out.

There is nothing unusual about that in the economic structure of this country. The foundation of the economic structure in this country has been installment buying. You obligate more than you can pay within the current year, but you pay it off in 20 or 30 years. If that were not true, not many of us would own an automobile, washing machine, house, or anything else.

I think what the President did point out is that we have at this period now unemployment of unskilled, uneducated people. If we continue that process just for the purpose of balancing a budget, you are going to have difficult times unless you attack these things and attack them severely the way we are trying to do in the area redevelopment program, in the juvenile delinquency program, and in the job retraining program. These are all to make these people self-sustaining and get them into the economic flow of the community. As a result, it will have a definite bearing on the gross national product.

DEFICIT FINANCING

Now, if you notice, I said that we operated for many years, both the Democratic and Republican administrations, on a deficit spending basis. But if you will look at the rate at which your gross national product has gone up, it has gone up much faster in those years even though we were operating in debt.

Mr. LAIRD. That is not quite the case.

Secretary CELEBREZZE. Notice the gross national product has gone up.

Mr. LAIRD. Mr. Secretary, I would just as soon discuss the details of deficit financing with you today, but if we get into things like that you would be here for the rest of the month. But I do not know of any time that we have ever gone about planning a deficit.

As far as the Republican administrations are concerned, I am not in favor of Republican administrations having deficits; I am not in favor of Democratic administrations having deficits. I certainly am not in favor of either type of administration planning deficits.

Secretary CELEBREZZE. Of course you cannot state in this budget—while we say it is a deficit budget, we would not know until the end of the year whether we have a deficit budget.

Mr. LAIRD. But the administration is planning a deficit in this budget for the first time in the history of the country.

Secretary CELEBREZZE. In a prior administration's budget, \$2 billion was planned and they ended up with a \$12 billion deficit.

Mr. LAIRD. This budget will end up with a \$15 billion deficit and we all know it—we are not kidding anybody—if the President is serious about tax reform.

Secretary CELEBREZZE. No, your estimate is completely wrong on the \$15 billion budget deficit for this year. What I am saying to you—

ECONOMIC IMPROVEMENT INDICATED IN BUDGET MESSAGE

Mr. LAIRD. The President in his message, budget message, on page 7, states, and I thought this was very encouraging, and I quote :

This budget is presented in a national economic climate which is greatly improved over 2 years ago * * *. Our total real output of goods and services has increased by 9 percent, total wage payments have risen by 10 percent corporate profits have gone up by 18 percent, and well over 1 million nonfarm jobs have been created.

This is a very glowing picture of the economy as compared with the troubled economy which you painted just a few minutes ago, all these problems that you point out. The President, in his message, gives us a lot of hope that the economy is really moving again.

Secretary CELEBREZZE. Yes, he said, and I pointed out to you, that the gross national product had gone up. But imagine what it would have gone up had we had full employment, which we are trying to get.

No. 2, I think the reports that are coming out—General Motors just came out and had the heartiest profit in their history—what was it—\$1.3 million, something like that, in profit. That's good. I am for that.

Mr. LAIRD. We need to cut taxes so they can make more; right?

Secretary CELEBREZZE. The President has advocated you reduce the taxes from 52 percent to 46 or 47 percent level; that is good, to give industry an opportunity to expand their facilities, to do better research work, and to create new products. As a result, this will lead to greater employment.

Now we find ourselves in a terrific twilight zone in which, due to technology, due to automation, we have reservoirs of people who just do not have the skills, and, in some instances, the jobs are there, but we cannot furnish the people who have the skills.

Now, what do we do? Do we say, well, we will just drag our feet? Or do we say we will invest some moneys in the retraining of these people so they can fill those jobs? It seems to me that is good, sound financing.

Mr. LAIRD. I think the retraining program has a great deal of merit. I do not think that everything in this budget, though, is tied with retraining.

DIFFERENCES BETWEEN FEDERAL AND LOCAL FINANCING

Was it difficult for you to make the adjustment from State and local financing to Federal financing?

Secretary CELEBREZZE. Yes. To be perfectly frank. Because, on a State level, any bill that is passed must have in the bill the appropriation, where the money is coming from. You do not have this system of Congress passing bills and then having to get an appropriation through. It is all done at the same time on the local and State level. That is the major difference.

The other is—which the staff tried to explain to me and which I asked some of the questions you were asking awhile ago on this, the difference between obligational authority and expenditures. Those are the two major differences in budgeting that I have found. But I am learning fast.

Mr. LAIRD. You feel it is a lot easier when you do not have to think about taxes in conjunction with your program?

Secretary CELEBREZZE. Of course any public official who is chief executive has to think of the tax structure, whether you are on the local level or State level, because, after all, expenditures come out of one source, and that's tax revenue.

Mr. LAIRD. But when you were mayor of Cleveland, you had the policy to finance all of these programs from current revenue. You did not believe in building up big deficits for the city of Cleveland?

Secretary CELEBREZZE. That is because the city charter prohibited it.

Mr. LAIRD. When you were mayor, you did not recommend the city charter be amended to provide for deficit financing; did you?

Secretary CELEBREZZE. No, because, fortunately, we met the obligations that were current.

Mr. LAIRD. Through good management?

Secretary CELEBREZZE. I must assume, since I got elected five times, the public thought I had good management.

Mr. LAIRD. With this philosophy of deficit financing after your work as mayor in the State of Ohio—

Secretary CELEBREZZE. Yes, but let me say this to you, Congressman Laird, in Cleveland the budgets are set up completely different than you do here. There you have what we call an operating budget and capital improvement budget on the local level. You do go in debt for capital improvements, where you go and borrow \$100 million to build a stadium and things of that kind, which you will pay over 20 years. However, each year, in order to meet that obligation, we have to put in what we call a sinking fund, a certain percent of our revenue to meet that obligation.

I do not want you to think everything on a local level is done on a pay-as-you-go basis; it is not. You do have these obligations.

Mr. LAIRD. Yes, but you do try to pay your bonds off. We have not paid any substantial percentage of bonds off for so long I cannot even remember. This is my sixth term and I cannot remember paying many bonds off except we retired \$2 or \$3 billion a few years back.

Secretary CELEBREZZE. The other thing we try to watch is, as your revenue or tax base goes up—and it does go up even though you try to keep it level, it fluctuates—that the same percentage of debt is held at that level rather than trying to increase it. There are years, because of floods, disasters, where you cannot do so.

So it depends upon conditions, the elements that are involved.

COMPARISON OF HEALTH, EDUCATION, AND WELFARE AND DEFENSE INCREASES

Mr. LAIRD. Your budget, Mr. Secretary, has the largest increase of any department in the Government. And when I read on page 8 of the President's—

Secretary CELEBREZZE. I think you will find that true because our Department is dealing directly with most of the human problems. Human problems are very complex and become rather expensive; nevertheless they are human problems to which we must place our attention.

Mr. LAIRD. A lot of the people in my congressional district, and I think throughout the country, have gotten the idea that the cause of our deficits is defense expenditures.

I compared the Defense Department budget expenditures of 1952, when I came to Congress, with the Defense expenditures of 1962, I find in that 10-year period the Defense expenditures increased by 5 percent; whereas, nondefense expenditures increased by 68 percent.

Secretary CELEBREZZE. I think that is the normal thing, because we found it true even on a local level that our expenditures went completely up after the war. During the war years, you could not buy the equipment to do the things that you had to do and therefore you deferred all of these things until after the war years. Then you had to go on a tremendous spurt and you found out that the bond issues that were passed during the war years to do these things, when you got around to doing them in 1950 we went into the Korean war. Then the amount of money was not sufficient because your cost factors had gone up, wages had gone up, and the cost of material had gone up. So that you were getting the same unit at perhaps a 10- to 20-percent increase in cost and not because you could not do it but because the materials were not available. So you had—

Mr. LAIRD. We have that same problem in our Defense budget. As far as our Government is concerned, the No. 1 priority in this Federal system of ours, if we believe in federalism, is in the area of national security.

Secretary CELEBREZZE. Yes.

Mr. LAIRD. And we have to give that No. 1 priority, I believe.

Secretary CELEBREZZE. Yes.

Mr. LAIRD. But the President said, on page 9 of his budget—

Secretary CELEBREZZE. Yet when you are talking about "national security," I hope you are not just talking about physical security. National security covers the field of education as well as having rockets and things of that kind. Because if you have a nation that just has rockets and does not have security in having people educated or people that are fed and clothed right, you do not possess superior—

Mr. LAIRD. I still believe—maybe I am old fashioned—

Secretary CELEBREZZE. We are talking about two different things.

Mr. LAIRD. In a Federal system, I believe that the local and State governments have some responsibility. And when you talk about education, I happen to believe that the local and State governments have the responsibility there. But in this system of ours, I believe that the Central Government has the responsibility in the area of national defense and international affairs.

Secretary CELEBREZZE. Yes. We said both in the—

Mr. LAIRD. But I was talking about the whole Federal system.

Secretary CELEBREZZE. The primary obligation for education still lies with the States, but because of certain conditions which have developed, the Federal Government—

Mr. LAIRD. I am going to get into the education area a little later on.

Secretary CELEBREZZE. But the point I am trying to make, Congressman, is that when you are speaking of defense, you are preparing yourself to protect yourself from the enemy from without. When you are speaking of domestic things, education, health, and welfare, you are trying to protect yourself from the enemy from within.

Mr. LAIRD. Very important. And I feel the local State governments have the primary responsibility in that area.

Secretary CELEBREZZE. We have admitted that and the President has said that time and time again.

LIMITING 1964 EXPENDITURE PROPOSALS

Mr. LAIRD. But when we look at the budget, the President said, on page 9:

The initial effect of the proposed tax program will be a revenue loss. In this setting I have felt obliged to limit severely my 1964 expenditure proposals.

Would you agree, Mr. Secretary, that you and this committee should cooperate with the President's objectives by severely limiting expenditure proposals for 1964?

Secretary CELEBREZZE. We have already done that in our scaling down of our original budget. We originally presented to the Budget Bureau what we thought were our actual needs.

Mr. LAIRD. Percentagewise how much did you scale it down, from your recommendations as Secretary of Health, Education, and Welfare, to the Bureau of the Budget, after this memorandum of the President, how much did you scale it down?

Mr. KELLY. First, the Secretary, before making his submission to the Budget Bureau, decreased the operating agency request to him by an amount of almost \$400 million.

Mr. LAIRD. I understand, you are talking about the letter-to-Santa Claus list.

Mr. KELLY. It exceeded the amount by almost \$400 million. Subsequently a further decrease of \$145 million was made, and the request—

Mr. LAIRD. What is the answer to my question as far as the Secretary's reduction goes?

Mr. KELLY. The Secretary made a reduction of almost \$400 million, \$380 million below the request made by the Department's operating agencies to him.

Mr. LAIRD. I mean after the memorandum went out, after the Secretary submitted his original budget, what did he agree to because of the President's memorandum, which was after the Secretary had made his first submission to the Bureau of the Budget?

Secretary CELEBREZZE. I think we have to keep the record straight on that, that the President at a Cabinet meeting had made the request of the Department heads to scale down their requests.

Mr. LAIRD. There was a further memorandum.

Secretary CELEBREZZE. Then there came a memorandum—

Mr. LAIRD. I am talking about what was done as a result of this memorandum which was after he decided to go forward with this

tax cut. I do not have the date of it, but I have a copy of it in my office.

Secretary CELEBREZZE. At that time we had to scale down another \$145 million, after the memorandum. But also before the memorandum came out we were instructed to scale down on our budgets and that is when our first cut came of some \$400 million. We had another meeting after his memorandum came out in which he asked us to scale down more, without basically crippling our programs. And that is what we attempted to do in this budget.

REFERENCES TO HEW IN PRESIDENT'S BUDGET MESSAGE

Mr. LAIRD. You know, when I read over the President's message, I thought he did not seem to refer to Health, Education, and Welfare programs very much. That was played down considerably.

Secretary CELEBREZZE. No, I think to the contrary; because he made several special messages, particularly in the field of mental health and retardation—

Mr. LAIRD. I am talking about the budget message. The people of this country thought that this budget message was really setting the fiscal policy of this country and I quote from the President when he said:

In national defense and space programs where false economy would seriously jeopardize our national interests or even our national survival, I have proposed expenditure increases.

Would you suggest, Mr. Secretary, from the little conversation we had before about this Federal system, that your Department's programs would not warrant any more favorable treatment than national defense and space, which are given the highest priority by the President?

Secretary CELEBREZZE. Well, national defense and space, of course, are also tied into our educational budget.

Mr. LAIRD. They were in the President's presentation, however. He has a pie chart which he uses to show what goes for national defense and what goes for other activities.

Secretary CELEBREZZE. That is true.

Mr. LAIRD. But not a single dollar from your budget was included under national defense in the President's presentation to the American people.

Secretary CELEBREZZE. I think—

Mr. KELLY. I think for the purpose of this presentation, Mr. Laird, we are only one Department in which the expenditures here do not compare with the Department of Defense. And we were treated as part of the domestic budget for this purpose in which he said that the increases have been offset by the decreases.

But he then presents a functional area, one called education and another called labor, health, and welfare; he—

Mr. LAIRD. I am coming to that functional difference in just a minute—

Mr. KELLY (continuing). In which he does identify the significant expansion of his budget proposals, and that is in the budget message.

COMPARISON OF HEW AND DEFENSE INCREASES

Mr. LAIRD. My only point is, that as far as the increases are concerned, the increases in this budget are $3\frac{1}{2}$ times as much as they are in defense and these other areas that were singled out by the President to spotlight public attention on, as far as increases were concerned.

Mr. KELLY. In the 1964 expenditures, the Department of Defense expansion expenditures and space expansion expenditures were considerably greater than the expansion expenditures of HEW. This is disbursed dollars.

Here we have an expenditure increase of just over \$600 million.

Mr. LAIRD. If you want to talk about the expenditure budget, we will go back to that. We decided we would stick with the appropriation budget for a while.

I would just as soon go back to the expenditure budget and use that. But I think we should have one basis here for our discussion.

Mr. KELLY. Yes. But your reference to the President's budget message, relates to expenditures—most of the discussion, all of the general discussion in the President's budget message refers to expenditures. And when he talks about the Department of Defense, he is talking about expenditures. When he talks about Space Agency, he is talking about expenditures. In order to draw a comparable figure for HEW, you have to talk about expenditures.

Here the increase is less in HEW than it is in either Defense or in Space. But it is greater than in other domestic agencies.

Mr. LAIRD. I have to disagree with you because the expenditure level, as far as Space and Defense is concerned, according to the President's budget, is \$55.4 billion in 1963, and he estimates there will be \$59.6 spent in 1964—an increase of less than 8 percent.

You take the HEW, the HEW's budget for fiscal year 1964, you will find that the expenditure—if you want to talk about expenditures—the expenditure level increases, as far as HEW is concerned, from \$5.05 billion in 1963 to \$5.74 billion in 1964. This is an increase of 14 percent or just about twice the Defense and Space increase.

Mr. KELLY. I was not using percentages; I was using absolute dollars.

Mr. LAIRD. I am talking about percentages because I think that is the only basis on which you can compare them.

Mr. KELLY. I think the President in setting forth the figures took absolute dollars.

Mr. LAIRD. I think, as you read over that budget message, and look at the pie charts that were presented you will find that the opposite is true to a large extent.

I discussed this with the Secretary of Defense the other day before the Defense Appropriations Committee and I believe he had the feeling that percentagewise the opposite was true, too, until these figures were pointed out.

I do not know why you do not toot your horn a little more. I think you did very well, Mr. Secretary, in representing the interests of your Department, certainly much better than any other department of Government. I think that you must have done a good job in pleading the case for your Department.

Secretary CELEBREZZE. We are very modest; we do not like to toot our own horn.

Mr. LAIRD. Well——

Secretary CELEBREZZE. Do you not think it is a natural thing, though, Congressman, that after years of heavy defense expenditures, you start concentrating on your domestic problems, and as a result your cost of domestic programs go up? I think this is a natural thing.

Mr. LAIRD. I feel we have to increase certain areas of defense spending.

Secretary CELEBREZZE. I will not argue with you. I think the Defense Department is entitled to everything they can get. I think we should build up a good security for this Nation from the enemy from without; we have to be careful.

We normally assume we are in peaceful years but we just cannot forever keep putting off our domestic problems.

Mr. LAIRD. Mr. Secretary, I think we are engaged in one of the hottest cold wars.

Secretary CELEBREZZE. No doubt about it. There is no doubt about it.

Mr. LAIRD. And I believe the international situation is such that it hangs in balance on almost a daily basis between international communism and our capitalistic system.

Secretary CELEBREZZE. I am in perfect agreement with you. I know that the President is giving a lot of attention to it. We are not in a shooting war, but the world is in a rather difficult position right now in which anything can happen at any particular time. That is why I say that I do not begrudge the Defense Department anything they can get. We have to remain strong. Because if we do not, then everything else we do is just for nil.

Mr. LAIRD. Before I start questioning on another subject, do you want to recess?

Mr. FOGARTY. Any time you want.

We will recess until 10 o'clock.

WEDNESDAY, FEBRUARY 20, 1963.

Mr. FOGARTY. The committee will come to order.

When we recessed last evening, Mr. Secretary, Mr. Laird was questioning.

Mr. Laird.

BUILDING CONSTRUCTION

Mr. LAIRD. Mr. Secretary, in going over the budget request, there are considerable funds requested for the construction of new building facilities for the various agencies in your Department.

What is the total in construction funds?

Secretary CELEBREZZE. For all buildings?

Mr. LAIRD. Yes.

Mr. KELLY. I would have to guess that. I could go down it item by item but I don't have a total in mind.

We have about \$14 million requested in the Food and Drug Administration for the construction of a laboratory building here and three district laboratories.

For the Public Health Service we have a request for \$19 million for the construction of facilities.

In the Indian health program, we have a request for construction of \$6,096,000.

At the Galludet College——

Mr. LAIRD. Will you supply it?

Mr. KELLY. Yes. We also have Gallaudet College, Howard University for which there are funds for construction requested.

In connection with St. Elizabeths, we have a request for \$627,000.

This is all except Gallaudet and Howard.

(The figures requested follow:)

1. *New obligational authority requested for construction,¹ fiscal year 1964*

<i>Agency, project, and location</i>	<i>1964 new obligational authority request</i>
Food and Drug Administration:	
District office laboratory facilities:	
Chicago, Ill.....	\$3, 150, 000
New Orleans, La.....	2, 145, 000
Seattle, Wash.....	2, 110, 000
Denver, Colo.....	1, 625, 000
Additional headquarters laboratory facilities:	
Washington, D.C., area.....	4, 300, 000
Animal care building, Beltsville, Md.....	80, 000
Total, Food and Drug Administration.....	13, 410, 000
Public Health Service:	
Water pollution control laboratories:	
Fairbanks, Alaska.....	2, 500, 000
Boston, Mass.....	2, 500, 000
Athens, Ga.....	270, 000
Corvallis, Oreg.....	530, 000
Ada, Okla.....	490, 000
Extension to clinical center cafeteria, NIH, Bethesda, Md.....	360, 000
Library relocation, NIH, Bethesda, Md.....	900, 000
Warehouse extension, building 13, NIH, Bethesda, Md.....	780, 000
Mental health-neurology-cancer cafeteria, NIH, Bethesda, Md.....	800, 000
Biologics standards laboratory annex, NIH, Bethesda, Md.....	4, 300, 000
Total, Public Health Service.....	13, 430, 000
Gallaudet College:	
Two preparatory dormitories, Washington, D.C.....	2, 680, 000
Howard University:	
Men's dormitory, Washington, D.C.....	3, 314, 000
Site development, Washington, D.C.....	86, 000
Total, Howard University.....	3, 400, 000
Grand total, Department of Health, Education, and Welfare..	32, 920, 000

¹ Does not include repair and improvement projects or projects for which only planning money is requested in 1964.

PLANNING PROGRESS ON REQUESTED CONSTRUCTION PROJECTS

Mr. LAIRD. How far along is the architectural planning of these buildings.

Mr. KELLY. Well, I think you would have to take it building by building.

Mr. LAIRD. I would like that put in the record, building by building, the percentage—

Mr. KELLY. Architectural work as completed?

Mr. LAIRD. Yes.

Mr. KELLY. All right, sir.

(The information follows:)

STATUS OF PLANNING PROJECTS FOR WHICH NEW OBLIGATIONAL AUTHORITY IS REQUESTED IN FISCAL YEAR 1964—Continued

<i>Agency, projects, and location</i>	<i>Status of planning</i>
Food and Drug Administration:	
District office laboratory facilities:	
Chicago, Ill., New Orleans, La., Seattle, Wash.	Planning, construction, and portable equipment funds included in 1964 budget. Fixed equipment funds budgeted in 1962 have been obligated. Planning expected to be complete 10 months after authorization (site selection, 2 months; selection of architect, 2 months; development of plans 6 months).
Denver, Colo.-----	Planning, construction, fixed, and portable equipment funds included in 1964 budget. Planning expected to be complete 10 months after authorization (site selection, 2 months; selection of architect, 2 months; development of plans, 6 months).
Additional headquarters laboratory facilities, Washington, D.C.	Planning and construction funds included in 1964 budget. If Beltsville, Md., site is selected, planning expected to be complete 10 months after authorization. If other site, 4-6 additional months for site selection.
Animal care building, Beltsville, Md.	Planning and construction funds requested in 1964. Site already selected. Planning expected to be complete 3 months after authorization.
Public Health Service:	
Water pollution control laboratories:	
Fairbanks, Alaska-----	Program of requirements has been completed. Planning estimated to be completed in October 1963.
Boston, Mass.-----	Program of requirements is being developed in tentative form pending selection of a specific site. Planning is estimated to be completed in August 1964.
Athens, Ga. ¹ -----	Diagrammatic plans completed. Final completion of plans estimated for for January 1964 (now 15 percent complete).
Corvallis, Ga. ¹ -----	Diagrammatic plans have been approved. Architect is preparing tentative working drawings. Planning estimated to be completed in October 1963 (now 30 percent complete).

*Status of Planning Projects for Which New Obligatory Authority Is Requested
in Fiscal Year 1964—Continued*

<i>Agency, projects, and location</i>	<i>Status of planning</i>
Public Health Service—Continued	
Water pollution control laboratories—Continued	
Ada, Okla. ¹ -----	Tentative working drawings completed and are currently being reviewed. Final completion of plans estimated for September 1963 (now 40 percent complete).
Extension to clinical center cafeteria, NIH, Bethesda, Md.	Program of requirements scheduled for June 1963. One additional year needed for design.
Library relocation, NIH, Bethesda, Md.	Program of requirements scheduled for June 1963. One additional year needed for design.
Warehouse extension, building 13, NIH, Bethesda, Md.	Program of requirements scheduled for June 1963. One additional year needed for design.
Mental health - neurology - cancer cafeteria, NIH, Bethesda, Md.	Diagrammatic plans complete. Need authorization to proceed with planning to coordinate with the cancer-neurology-mental health research facility. Fifteen months required for design after funds are available (plans now 20 percent complete).
Biologics Standards Laboratory annex, NIH, Bethesda, Md.	Tentative plans have been started and final drawings are scheduled for completion in November 1963 (now 30 percent complete).
Gallaudet College: Two preparatory dormitories, Washington, D.C.	Planning not yet begun, but should be complete by August 1963.
Howard University:	
Men's dormitory, Washington, D.C.	Diagrammatic drawings received for review. Planning expected to be complete by November 1963.
Site development, Washington, D.C.	Overall plan received for review, and details have been started. Planning expected to be complete by September 1963.

¹ 1964 request provides for an additional amount for construction; construction funds were previously appropriated in 1963.

Mr. KELLY. Except for the Water Pollution Control Laboratories and the Biologic Standards Building at NIH, most of the facilities funds we are requesting are either for major repairs or improvements or they are for planning.

Mr. LAIRD. What about the major repairs and improvements, is there any A. & E. work done on those?

Mr. KELLY. Only partially. But generally speaking, on this kind of work, you never ask for the planning funds separate from the construction. You think of this as being a 1-year type of operation.

We use, really, three criteria in requesting funds of the Congress. For very large projects we ask for preliminary planning funds in order to determine the total scope of the work. Then we request final planning funds and then construction funds.

For medium-size work, where the planning can be done in 1 year, we ask for all of the planning funds in one appropriation and all of the construction funds in a second appropriation.

Then, for smaller work, particularly including alterations and modernization of facilities, we ask for planning and construction funds in the same year.

FUNDING CONSTRUCTION RELATED TO STATUS OF PLANNING

Mr. LAIRD. You are probably familiar with the policy which has been approved by the committee. It has been used as far as military construction is concerned, by the Appropriations Committee. That is, that no funds be allowed for any construction work unless the A. & E. work is fully completed. And the reason I asked these questions is the full committee will probably want to give some consideration to keeping the other programs in the Government on the same basis.

Mr. KELLY. Well, the application of such a policy would have a significant delaying effect in the development of facilities for the Department, because customarily we request construction funds in a budget, such as 1964, in contemplation that we will have completed the planning prior to the middle of the fiscal year 1964.

You cannot have an absolute rule, but generally speaking, if we do not anticipate that the plans will be finished by December, we defer asking for construction funds until the following year. If we contemplate that we will have completed the planning prior to December, we request construction funds for that fiscal year.

So that the moneys we are requesting to start construction in 1964 are related to buildings that we expect to be able to start prior to December of 1963. And that means that we fully expect the planning to be completed prior to December of 1963.

If we were to take a different position from that in the request for funds, it seems to me we would end up that we would ask for the planning funds, we would plan the building, and then we would wait 1 year. On a great many facilities, before requesting the construction funds we would have the plans and specifications sitting in a hiatus status for 1 year. And if the building is urgently needed it would seem to me to be undesirable to have that delay occur.

ENVIRONMENTAL HEALTH CENTER SITE SELECTION

Mr. LAIRD. Mr. Secretary, I note that you have asked for the funding of the Environmental Health Center to be built out here at Rockville.

Secretary CELEBREZZE. Yes. The site location has not been chosen yet.

Mr. LAIRD. Mr. Secretary, as a committee how can we go along with funding for any construction program before the site has been determined?

I personally feel that this committee and Congress should not give up its authority over this particular area and you have not determined where you are going to put this building.

Secretary CELEBREZZE. As far as the Administration is concerned, it will be in the Washington area but I am unable to tell you at this time the specific location because we are still in the process, one, of determining whether or not there is Federal land available which we do not have to buy, or if not, whether we can move into some other section. It will be in the general vicinity of the Greater Washington area.

Mr. KELLY. I would hope, Mr. Laird, before this committee acts on the 1964 budget that the Secretary will be able to present to you the

site selection and the reasons for it. We would like to have been able to do that today but I think we had several alternatives under consideration; they still had possibilities associated with them. An effort is being made to make the best possible site selection.

DESIRABILITY OF LOCATING IN WASHINGTON AREA

Mr. LAIRD. Well, it is my understanding the only place you are giving real consideration to now is in the Greater Washington area?

Mr. KELLY. Yes. The site that I am talking about would be in the Greater Washington area. The President announced it would be in the Washington area.

Mr. LAIRD. The problem involved is that this area around Washington is being built up at a very rapid rate. It seems to me that there is too much of a concentration of Federal activity in this one particular area and I don't believe it adds to the caliber of research work by concentrating all these Federal programs here in the Nation's Capital.

Secretary CELEBREZZE. Mr. Laird, it isn't a question of concentrating all the programs here. Every organization has to have what is known as a nerve center, or a center of operation which has field offices. I know that the location of the Environmental Health Center has been debated and considered now for a couple of years.

It is the opinion of the Surgeon General, after analysis, because of the other facilities that are available in the Washington area and in order to get complete coordination, that this would be the wisest choice. In his memorandum to me, he says that the coordination of the total Federal program of research in health and related sciences is necessary and that Washington is the center of many of the Public Health Service extramural programs in the health sciences. It is also the location of the Office of Science and Technology, the Federal Council for Science and Technology, the National Academy of Science, and the National Science Foundation.

So what we have in mind is that you have to have one central office because of the interrelationships of the various things that are going on in Washington. It is difficult to operate if the central office, or the nerve center as we call it in the field of administration, is removed too far from the center of the Department which has control of it. The Taft Memorial Center is in Cincinnati. We have no intention of closing that down. But placing the Environmental Health Center elsewhere would be like taking the central office of the Food and Drug Administration and putting it someplace else. In that case, it loses its contract with the main body of the Department.

We have field offices in all of these agencies. The same is true of Social Security. We have field offices.

Mr. LAIRD. The Environmental Health Research Center would carry on a great deal of basic research work?

Secretary CELEBREZZE. Yes, that is the purpose of it.

Mr. LAIRD. It seems to me that the Washington atmosphere is not the best place to carry on basic research work.

Secretary CELEBREZZE. Only to the extent—

Mr. LAIRD. I would rather have this in connection with some academic community, some college or university. I think you will find

that the work that has been done in those areas has been much more significant than basic Government research work.

Secretary CELEBREZZE. Well, the primary purpose of the Environmental Health Center is to get a coordination of all this work that is going on, in addition to further scientific studies that they will have to make.

Mr. LAIRD. But the major purpose of this project is further scientific studies?

Secretary CELEBREZZE. And the major studies necessary related to this are now concentrated in the Washington area. The Environmental Health Service is under Public Health Service under the Department of HEW, and you have to have the nerve center under this one Department. You can't have a department scattered all over the country because—

Mr. LAIRD. I am not for scattering it; I am for concentrating it.

Secretary CELEBREZZE. That is what I want.

Mr. LAIRD. What consideration was given to Cincinnati?

Secretary CELEBREZZE. Consideration was given to many other areas but the Surgeon General and his staff recommended consistently that it be in the general Washington area, not necessarily in the District of Columbia, but in the general Washington area.

Mr. KELLY. This was not arrived at lightly, Mr. Laird. A study was made by the Surgeon General and his staff, and a study was made by the Gross committee. The President's scientific adviser, Dr. Wiesner, also empaneled a special group to study this problem. One of the significant things I think they found, somewhat different from your conclusions, is that Washington is an environment that is conducive to first-class research. As a matter of fact, they maintain that the work that is being done at the National Institutes of Health in Bethesda in the Washington area is some of the highest quality research that is being by the Federal Government, or outside of the Federal Government.

EXTRAMURAL VERSUS INTRAMURAL NIH RESEARCH

Mr. LAIRD. I think it is very good. I don't think that the basic research work done at the National Institutes of Health in their intramural program is of as high a caliber as the extramural program, and I think that the scientific councils will tell you that.

Mr. KELLY. I think that the study Dr. Wiesner made concluded that it was a very high caliber.

Mr. LAIRD. I am not questioning it is high caliber. But the more significant discoveries in the medical research field have not been out here at NIH where people are concerned about the 40-hour week, paid vacations, sick leave, and so forth, and so on.

The finest work I think that has been done by any research laboratory of the National Institutes of Health has been at the Rocky Mountain Laboratory out at Hamilton, Mont.

If you travel around this world a little bit and go into some of the research laboratories—take the Pasteur Institute in Paris—you will find that they feel that the greatest contribution to medical research has not been out at the National Institutes of Health but programs supported by the National Institutes of Health out in the field, that they have more of a team spirit in basic research.

When I visited the director of the Pasteur Institute, he had in a bookcase in back of him all of the reports of the Rocky Mountain Laboratory. And I discussed this particular problem with him, and with people in other laboratories, and they say, "Well, there is too much of a concentration. You don't have this team research atmosphere at the National Institutes."

I have been impressed with these people in their criticisms of this concentration.

But let's take another area. Take the Communicable Disease Center in Atlanta. Now I feel that the work that is being done down there has been rather significant. I think they have had a sense of independence in the operation of that laboratory but at the same time the Surgeon General has kept control over it.

I feel if the Communicable Disease Laboratory had been located here at the time the decision was made to go forward with the Laboratory in Atlanta, that it would have been a great mistake. And there was talk at that time, as you know, by some people that this should be all concentrated in this complex.

Mr. Secretary, you have not heard any complaints about the Communicable Disease Laboratory and the fact it happens to be in Atlanta, Ga., have you?

Secretary CELEBREZZE. No, but I do take exception to some of your statements about NIH.

Mr. LAIRD. I will be glad to discuss them with you.

Secretary CELEBREZZE. All right.

I think it is unfair to say that these people at NIH are just people who want to work 40 hours a week and get paid vacations.

Mr. LAIRD. This is the comment I get from some of your top researchers at the National Institutes of Health. And I will name the names of the doctors at the National Institutes of Health who have told me this as far as their laboratory technicians are concerned.

Secretary CELEBREZZE. In an institution this large you always find someone who finds fault with it in the lower echelons.

Mr. LAIRD. I will give you the names of the doctors.

Secretary CELEBREZZE. My personal experience has been that if it weren't for the dedication of people we have at NIH, we wouldn't proceed as rapidly as we are proceeding.

Those people work hard out there. Now I know. I have been out there. I have been through the plant, as I call it, and I don't think you have to take the impression of someone down the line.

Mr. LAIRD. I am talking about top project—

Secretary CELEBREZZE. I have had enough administrative experience to know that someone three steps below me will gripe about something he wanted to get and couldn't get, and he will gripe about the whole department.

Mr. LAIRD. Mr. Secretary, I want to make my point clear here. I am talking about some of your top project officials at NIH. You have been losing them at a rapid rate. They are going—

Secretary CELEBREZZE. I am losing them at a rapid rate because of the pay. I got a report last week from the man in charge out there. He says, "I can't keep my personnel on the pay structure we have now."

Mr. LAIRD. A lot has to do with pay but there is another basic reason, that they have found that the research environment in many of the uni-

versities and medical schools in this country is more conducive to good research.

Secretary CELEBREZZE. Basically, I think we are harking back to the point I was arguing with respect to the Environmental Health Center. The NIH is a nerve center. Most of the research work is done either through contracts or grants to the various research institutions.

I will agree with you a tremendous amount of the research work is done outside Government, by the universities and by companies who do research work. I see these grants going out constantly. And naturally I think that is a proper function of NIH to contract this work out, to make these grants.

Now, these grants—

Mr. LAIRD. Mr. Secretary, I would like to limit our discussion to the intramural program. You are getting over to the extramural program.

The extramural program is making significant contributions, I think, but the reason I think it is making these significant contributions is because it isn't concentrated in Washington.

Secretary CELEBREZZE. We just had an example not long ago; I think the Kennedy Foundation out there developed something dealing with mental retardation. I would suggest this, if I may, Congressman: You go out there and spend a couple of days and watch how these people work out there.

Mr. LAIRD. Mr. Secretary, I spent more days out at NIH—

Secretary CELEBREZZE. I think you will get a better view of the whole thing.

I will not subscribe to the theory that we have people who are not dedicated out at NIH because the people I know are dedicated people.

Mr. LAIRD. Sure they have a lot of dedicated people.

Secretary CELEBREZZE. I will defend them all the way. It isn't just my statement, it is a fact. And I have talked to many other people about this.

However, when you go down the line and probably talk to a disgruntled employee—I think that—

Mr. LAIRD. I am talking about some of the top researchers who have left NIH in the last year.

Secretary CELEBREZZE. They have left. I sat down with them all around the table. They have left because the pay structure is such that we cannot possibly match private industry; we hardly match the universities in the pay structure and thus it is difficult to retain these scientific researchers. That is our problem, and that has been a problem for a good many years.

But I don't think that any employee down the line, if he hasn't gone to the top man of the Department and said what he thinks is wrong, should go out and publicly castigate the Department without us knowing what he is castigating the Department about. I have been with these people only 6 months but this much I will tell you, I have never in my life found so many people who are willing to devote so much time for the remuneration they get. And it is because they are dedicated.

I think it is unfair to merely say they are out there to get their 40 hours a week in and their pensions built up.

Mr. LAIRD. Mr. Secretary, I wish you did not have a closed mind on this idea of the activities being carried on at some of these other

research institutions other than Washington because I think you will find——

Secretary CELEBREZZE. No, no——

Mr. LAIRD (continuing). That the dedication——

Secretary CELEBREZZE. A good portion of the research work is being contracted out. I said that a moment ago. I am in accord with you that these research foundations outside of NIH under the guidance of NIH are doing an excellent job. I am not complaining on that point. That is part of the system.

It was never intended that NIH do all this research work here at their main headquarters in the District of Columbia area.

Mr. KELLY. This is certainly also true of the Environmental Health Center. In connection with water pollution you will have seven regional laboratories and two water quality laboratories and also the research center in Cincinnati, the Taft Engineering Center, operating under the direction of the central headquarter's operation.

In connection with radiological health, we have now several regional laboratories; there is one in Las Vegas, one in Massachusetts, and I believe one in Maryland.

Mr. LAIRD. Other Government agencies have several. The greatest radiological laboratories we have are outside Washington.

Mr. KELLY. The point I am trying to make is the concept envisioned by the Environmental Health Center is a concept which utilizes extramural research similar to the way it is used by NIH, grants and contracts made to colleges, universities, and nonprofit organizations, and to a limited degree private organizations that have a contribution to make in the field. It envisions having research work done at the facilities that are located in strategic places around the country operating under the control of this center. And it envisions providing technical assistance through the Department's regional office structure.

It is in every sense a bureau headquarters structure which embodies its administrative staff, its policy staff, its technical staff, and a basic research staff that is undertaking essential research work in order that it maintains a competency to direct research work that is being done all over the Nation, which is the same basic concept as the NIH.

RESEARCH IN A UNIVERSITY ENVIRONMENT

Mr. LAIRD. Well as you can see, I have not been convinced that a university environment is not a better place for basic research to be carried on than the Washington, D.C., complex.

Mr. COHEN. Mr. Laird, I do not know what it is worth but I spent, just recently, 5 years in a great State university. I was chairman of the Grants Committee of the Social Sciences at the University of Michigan, and I have some personal experience from there.

I feel, and I speak just for myself, I am very desirous of going back to the university. While my income was more when I was at the university than what I am getting now, there are lots of other factors in addition to pay.

First, my own experience, the experience of people I have talked to, is that you have a greater degree of flexibility and freedom in the university.

I don't know to whom you have talked but I talked to many when I was chairman of the grants committee. We had grants from the NIH, the National Science Foundation and others. There is an intangible element about greater status, respect and technique you have as a university professor doing research than you have in connection with Government status.

Mr. LAIRD. No question about it.

Mr. COHEN. I can't explain it entirely because there are many dedicated people at NIH that I know are men of great stature. But yet there are some—

Mr. LAIRD. We had some of our best investigators leave and it was not merely because of pay that they went to these university campuses. Two of them I talked with within the last year, told me it was not a question of pay.

Mr. COHEN. The reason I am stressing that is I think it is a special responsibility of this committee, as well as perhaps other committees of Congress. The people I know who are largely in the social sciences that work at NIH are people who want this sense of freedom and individuality and responsibility. I mean they are willing to work hard and long but they want a sense of responsibility and self-motivation on these projects. I think somehow the climate of opinion, over these last few years, in Government such as NIH, whether due to the pay scale or whatever it is, has not been entirely conducive to giving a sense—a psychological sense—to these people of that factor, of that feeling. I know many of my own colleagues and friends who are down here now, many in the medical and biological sciences, and social sciences, are eager to get back to the universities. Somehow the Government has not quite convinced them that scientists—I am speaking about scientists now both in the physical and social science fields—are really respected as doing independent work which is valuable. Now I think that is part of this intangible picture.

Secondly, you have another element which a university man treasures very much, and that is the freedom during the summer to travel and do other work that is not primarily related to his particular project—you lose that somewhat in the Government.

The third element, which is the most important in my experience, is the opportunity to work with people of other disciplines and get an interdisciplinary approach; the contact on the campus, you know, with other scientists working in related fields on the fringes of new knowledge that are really important.

I think those are some of the factors from my own 5 years of experience that would lead me at least to say I want to go back to the university where I have the independence to work.

Mr. LAIRD. That is the very point that I was trying to make, and perhaps I have not made it too well.

But as I have talked with these people, the chief investigators—I am not talking about the people that are working at a technician level when I talk about the disappointment in the so-called mass production research philosophy which they are concerned about. Really, here in the Washington atmosphere, a lot of these people feel that that has been the approach. Another thing is that they get involved so much with personnel problems, with sick leave, with set work

weeks, with vacations, and all the red tape and Government regulations.

I am not questioning the dedication of these people, but it is a question of getting tied up in a mass production philosophy of research and government redtape. They are dedicated researchers but they feel they can do the job better on the college campus.

It seems to me the trend has been to concentrate and make Washington, D.C. the focal point by bringing in as many as possible of the top scientists into Washington from all over the country. Maybe that is the direction we should be going. I have serious questions about that.

I believe that if we tied this Environmental Health Center in with one of our academic campuses, that in the long run we will gain more.

I think that the tie-in that we have had at Atlanta has been very significant as far as the Communicable Disease Laboratory is concerned.

I am glad we did not make the mistake of putting that in Washington.

DESIRABILITY OF FREER UNIVERSITY-GOVERNMENT INTERCHANGE OF PERSONNEL

Mr. COHEN. May I make a plea? I think one of the greatest things that could be done for universities and government is a greater transfer of personnel, one to the other. The idea of people spending 30 years in the government or 30 years in the university is not any longer a realistic situation. People should cross over and have both kinds of experience.

I think we have great people in universities for whom a couple of years of government experience would be splendid. And I think people with government experience in research ought to be in the universities. They would cross-fertilize each other. But that isn't always possible at the present time under the present incentives.

Mr. KELLY. It is noteworthy, however, that part of the study made by Dr. Wiesner and his panel emphasized this, and I think we may have overemphasized the concept of the Environmental Health Center in the Washington area. One of the recommendations made by this group was that a higher proportion of the research activity, as in the case of medical research, be done at colleges and universities, because the utilization of the talent that exists at colleges and universities is what is going to develop this program the best and what is going to develop the trained manpower that is necessary to further this program.

Mr. LAIRD. Isn't it a fact that almost every committee that has studied this will tell you that there is a higher utilization of manpower at college campuses, at the universities, than there is at a Federal research center?

Mr. KELLY. Well, I think generally speaking the people at least that I have talked to on this don't like to make this kind of comparison. They will say that there are certain kinds of research that is better done in a total laboratory such as the National Institutes of Health, where you have combined all of the basic tools in one place that you

can work with the chemist, the pharmacologist, the veterinarian, and the clinician in one place in a way which no university is organized to do. Other kinds of work are better done in a teaching environment.

But the recommendation made was that a high proportion of the work be conducted through grants at colleges and universities with a core of talented people working in this central facility.

And as in the NIH—I forget what the figures run, but I think the figures are something like out of every \$10 spent for research, I think \$9 is spent in colleges and universities and \$1 in their own direct laboratory.

Mr. LAIRD. Well, Mr. Secretary, I do not mean to pursue this but this is fairly important, this issue before the Congress is: Do you concentrate more here in Washington, or do you not?

COMMUNICATION WITH ATLANTA COMMUNICABLE DISEASE LABORATORY

Back when Emory University made the offer of land for the Communicable Disease Laboratory, we went along, accepted their offer, construction funds were made available to construct it in connection with their university campus. This has meant a great deal to Emory University. I think you will find that the whole atmosphere down there has been very good.

You have not had the rapid turnover of personnel because these people like working down there in this type of a community.

Mr. Secretary, has the Department had real problems as far as communication is concerned between the Public Health Service headquarters and the Communicable Disease Center in Atlanta?

Secretary CELEBREZZE. I will refer that to Mr. Kelly.

Mr. KELLY. I think the Communicable Disease Center represents a very important asset of the Public Health Service, and I agree with you in that I think it has done some outstanding work.

Mr. LAIRD. Has it had a communications problem between the Surgeon General here in Washington and the Laboratory?

Mr. KELLY. All organizations, when they get to be as large as the Public Health Service is, have problems of communications. They have problems of keeping informed and being directed. I don't think the Communicable Disease Center represents a special or unique problem in this sense, but one of the reasons for this is that the Communicable Disease Center constitutes a selected piece of work in behalf of what we propose to call the Bureau of Community Health. It is not a bureau structure in the Public Health Service.

The Environmental Health concept we are talking about is a total bureau structure. The head of this organization will report to the Surgeon General and will be responsible for all of the national policies concerned with environmental health and operation of all Public Health Service activities in it.

Now, in the case of Community Health, the Bureau chief and the key staff of the Bureau are located in Washington. The Communicable Disease Center in Atlanta is one of their major activities where they conduct research.

Mr. LAIRD. It has the major research function in that area just as the Environmental Center will have the major research function as far as environmental health is concerned.

Mr. KELLY. The Environmental Health Center as conceived is not just a research center; it is a bureau headquarters, including research, training, and the whole gamut of administrative operations and direction of the program that is nationwide in scope.

ADMINISTRATIVE PROBLEMS OF OASI BALTIMORE LOCATION

Mr. LAIRD. Now there were criticisms when we went ahead and appropriated the funds to build a building in Baltimore for the OASI. This is along the same line, although it is not in the research area. There were people in the Department that felt that this was going to be a great mistake to put this particular facility in Baltimore and not build it in Washington.

Has this been a great problem, having OASI located outside of the Washington area?

Mr. KELLY. It has involved certain problems of communication between the Secretary's office and the Bureau. A great many things have been done to bring about perfection and improvement.

Mr. Ball, the Commissioner of Social Security, commutes back and forth and spends probably half of his time in the Washington area.

Mr. COHEN. Today is an example. When we had a meeting at 7 o'clock in the morning, I think it is particularly acute. To make that 7 o'clock meeting this morning those from Baltimore had to start out at 5:30.

Mr. KELLY. There is the administrative management problem associated with the social security program. With 10,000 people working over at Baltimore, they have to be directed and supervised. To move 10,000 people that are located in Baltimore from Baltimore to Washington would be a trauma that you could not overcome. It would have a devastating effect on the organization.

So the Commissioner of Social Security and his key staff have to make a compromise. They have a responsibility of working with the Secretary and the Secretary's staff in the conduct of affairs for the whole Department. They also have the responsibility for the supervision and direction of 10,000 people in Baltimore. You have to make a compromise with this physical separation. You cannot accommodate both of them ideally, and so you don't accommodate either of them ideally. But I think they have worked out accommodations that make for suitable administration.

Mr. LAIRD. You do not think we made a mistake by allowing funds to construct facilities there, do you?

Mr. KELLY. I think that considering circumstances which led to the staff developing in Baltimore, the wartime circumstances that occasioned that agency to be moved out of the Washington area and then led to the recruitment and development of the manpower in Baltimore, it would have been less than responsible to try to move all of them back to Washington.

Mr. COHEN. There are some extra costs like this one that happened in the last few days. When we are tied up in meetings like this we have to have night meetings and morning meetings. Last night I called a meeting of 10 or 12 people and we met at 7 o'clock this morning so that we could do our work before we came here. That means that there are certain matters of inconvenience and cost. But that is just part of the record.

Secretary CELEBREZZE. I don't think that the problems would be as exaggerated if the facility were 100 miles away instead of at a 30-mile radius, but it is difficult, as an administrator, to have your chief people where you cannot reach them and meet with them when problems arise. And I would say that Commissioner Ball and I are in conference at least three or four times a week on problems that arise. When Congress wants an answer, they want an answer; they don't wait forever. I have to call Mr. Ball in and we sit down and try to develop an answer as to what has been wrong and what to do to bring about improvements.

You have to have this closeness between the head of the Department and the heads of the respective sections which compose the whole Department. You have to have person-to-person contact.

I think that is the one way of getting better administration.

Fortunately, Mr. Ball spends part of his time in Baltimore and part of his time in Washington and if I need him badly I just call up Baltimore and say, "Come on over," and he can get in here within an hour or an hour and 15 minutes, and we meet later in the day. Sometimes problems arise for which we have to get answers very quickly, and there is an advantage if he is on the other side of the hall from me. I could call him in and we could sit down and discuss these problems.

I think the Surgeon General probably will lay out his basic reasons for the coordination he needs, for the relationships he needs with the Corps of Engineers which is here, with the radiological health program which is here, and with the Atomic Energy Commission which is here. These things are all closely interrelated.

NATIONAL EDUCATION IMPROVEMENT ACT

Mr. LAIRD. You are proposing the National Educational Improvement Act of 1963. You put out a chart on the 26th of January 1963, showing the distribution by States of grants for new and expanded existing programs. It states that it includes only those programs with specific State allotment formulas.

Thus I assume that it omits all of the extra administration appropriations and the funds which you would distribute under your discretionary authority; is that correct?

Mr. COHEN. That is correct.

Mr. LAIRD. This total distribution amounts to \$831,390?

Mr. COHEN. Yes. That is fiscal year 1964.

Mr. LAIRD. That's the 1964 figure, I believe.

Mr. COHEN. That's correct.

Mr. LAIRD. Now, that program as set forth in that table omits all of your grants, and so forth, made by the National Institutes of Health?

Mr. COHEN. Oh, yes. That is right.

FEDERAL FUNDS NOW AVAILABLE FOR EDUCATION

Mr. LAIRD. And it omits all of the other educational funds that are made available?

Mr. COHEN. That is right.

Mr. LAIRD. Do you have a table that shows all such funds?

Mr. COHEN. Yes, sir; we have a table, of course, on the past period that would give you State by State all of the moneys expended through grant programs.

This table here.

Mr. LAIRD. Does that include the figures we just discussed?

Mr. COHEN. No, sir, because this is the 1962 table you see.

Mr. LAIRD. I see.

Mr. COHEN. If you want what is obligated under present law, you see it here; on the new programs we would not know what the State "X" would get.

Mr. LAIRD. So you have the figures there from 1962?

Mr. COHEN. I have 1962, and I think 1963 is nearly available.

Mr. KELLY. No.

Mr. COHEN. Isn't 1963 available?

Mr. KELLY. No. Such information is available on an allocated basis, but this table is on an obligation basis.

Mr. COHEN. The 1962 report is the last full report available.

Mr. LAIRD. I wonder if you could put in a table by State showing this on an obligated basis for 1963.

Mr. KELLY. We could show you on an allocated basis.

This type of report applies wherever there is a formula grant. Our problem is we can't show similar data when the distribution is going to be on the basis of individual project applications, because until the applications are approved and acted upon, you don't know which ones—

Mr. LAIRD. So 1962 is the last?

Mr. COHEN. 1962 is the last one because there we know where the money was obligated.

Mr. LAIRD. And your 1963 list then, you think, would not be very meaningful?

Mr. KELLY. It is only useful if you are comparing formula grants with formula grants.

Mr. COHEN. That's right.

Mr. KELLY. It is not useful when you are comparing all funds with just the formula grants.

Mr. LAIRD. The point I would like to make is that many people have the idea that Federal aid to education isn't a big program now, which is a mistake because this is a tremendous program which is presently in existence. Your table, which is a good table as far as it goes, really does not tell much of the story as far as overall expenditures are concerned.

Mr. KELLY. No. This is only designed to tell you what the new program is designed to do.

Now, the table Mr. Cohen referred to here is not just education. It is all of the funds in the Department.

Mr. COHEN. But we do have a table which is not allocated by States for the present year and we also have this table that will give you the education component of all expenditures in HEW for that 1962 year by State. And, then we have, of course, for any year now what the total Federal funds will be for education—that is a different figure. Now, the total Federal funds for education go beyond HEW expenditures and are of course a much larger figure than what we are talking about.

Mr. KELLY. Oh, yes. I think labor-education did some work on putting together such a report.

Mr. COHEN. Yes.

Mr. LAIRD. But their figures are not 1963 figures.

Mr. COHEN. No, sir.

Mr. LAIRD. We don't have any way of showing allocations in educational grants-in-aid proposed for 1964 covered in this budget. There is just no way of doing it.

Mr. COHEN. By States, there is no way to do that.

Mr. KELLY. No.

NURSING HOME CONSTRUCTION

Mr. LAIRD. Mr. Secretary, on page 4 of your statement, you propose that there be a broadening of the Hill-Burton program to increase Federal aid for the construction of nursing homes, modernization of hospitals, and to stimulate planning of medical facility constructions. This is in your new legislative requests.

Is this related in anyway to your proposal for health insurance for the aged financed by payroll deductions?

Secretary CELEBREZZE. Mr. Chairman, it is not directly related, but there is a shortage of the nursing homes in this country. If the program of hospital insurance goes through, you will need greater program for nursing facilities, even above what we are proposing here.

Mr. LAIRD. You would need this without the medical care program going through?

Secretary CELEBREZZE. Yes. There is a shortage now of adequate nursing facilities in this country.

Mr. LAIRD. So that this is separate from your medical care program?

Secretary CELEBREZZE. Yes. There again, it depends upon the type of legislation that would come out as to the criteria set for the types of nursing homes that would be eligible to receive the aged at that particular time, whether it would include just nursing homes attached to hospitals or whether Congress wants to include all nursing homes. But this request is based on what we consider to be our best estimate at this particular time to overcome some of the inadequacies of nursing home care in this country.

ACTUARIAL SOUNDNESS OF DISABILITY BENEFITS FUND

Mr. LAIRD. I note that in this budget for the first time, at least the first time that I have noticed it, the social security disability benefits system has moved into a position of spending more than it takes in and that this is expected to continue. The June 30, 1962, trust fund balance is \$2,508 million and by June 30, 1964, it is estimated to drop \$248 million—nearly a quarter of a billion dollars.

Would you conclude that the Congress will have to act to increase the disability payroll taxes along with the increase already scheduled for the old-age and survivors insurance program?

Secretary CELEBREZZE. I will refer that to Mr. Cohen. He has been working on that.

Mr. LAIRD. Perhaps this has been reflected in other budgets, Mr. Cohen, but this is the first time I had seen the disability benefit trust fund out of balance.

Mr. COHEN. Well, it is not really—I do not think it would be quite right to say it is currently out of balance, it has been diminishing. But you are quite correct in this sense, Mr. Laird, the present actuarial evaluation of longrun cost, of disability insurance is now six-tenths of 1 percent of payroll, rather than five-tenths of 1 percent. That is half of 1 percent of payroll.

Mr. LAIRD. So if you project an actuarially sound program you will have to go to about a six-tenths?

Mr. COHEN. What we are considering now is a modification of the allocation. The total contributions for old-age and survivors insurance and disability insurance are collected together and it is a total contribution. What the law provides is for allocation of part of that, five-tenths of a percent of that contribution, for disability insurance. What we will probably recommend is that an allocation of six-tenths of a percent of the total be made in order to keep the system on a sound basis. So that for the moment, I do not envisage the need for a total increase in the payroll tax of the two programs combined, but rather a different allocation internally of the two components.

Mr. LAIRD. Does it not bother you that the total overall trust fund is going down a quarter of a billion between July 1, 1962, and June 30, 1964?

Mr. COHEN. This chart may give you a better picture.

This is a line that shows the level of the assets of the disability trust fund. You see what has been an increase for a period of time, as this was going up—by 1961 it started to fluctuate a little bit, you see, and it was getting on a plateau. Of course, now what is happening is that it is tending downward as you say.

Of course, \$21½ billion assets are still in the fund.

Mr. LAIRD. I understand that.

Mr. COHEN. But the accumulation is not continuing to increase.

Mr. LAIRD. Actuarially it is not sound unless you go to six-tenths of a percent.

Mr. COHEN. That is correct, sir.

Mr. LAIRD. Five-tenths of a percent was an underestimate.

Mr. COHEN. That is correct.

The reason why there is probably no overall difficulty in the longrun is that as you know this year the tax rate went up to 3⅝ percent. In 1966 the tax rate is already in the law at 4⅛ percent; and in 1968 at 4⅝ percent.

Under present estimates it is presumed the combination of both systems, the total of the two systems, will still be within the area of actuarial balance. But that there should be a different allocation to take care of this point you mentioned.

OASI TRUST FUND

Mr. LAIRD. Are you not concerned over the additional fact that the OASI trust fund dropped a billion two hundred fifty-nine million from June 30, 1961, to June 30, 1962?

Mr. COHEN. I am concerned; yes, sir. I would say that the reallocation is necessary to keep the fund as Congress envisages both on a separate and sound basis. But I don't think overall there is currently a problem.

Let's take, for instance—

INCREASING SOCIAL SECURITY TAX RATE

Mr. LAIRD. What I was wondering about is the testimony before the committee by Secretary Ribicoff, and I assume he was talking for the Department, and had talked with the experts in this area—he stated that at no time could the social security tax get above 10 percent. And as you look over some of these projections, and if we keep adding to the program, you can certainly see where the tax could be at 10 percent before very long.

Mr. COHEN. We will have to differ with you in that respect.

The present old-age and survivor's insurance program and the present disability insurance program, plus what the administration has recommended in the health insurance field, would still stay within the 10-percent figure Secretary Ribicoff mentioned.

Mr. LAIRD. That is true, if you do not put any medical care in it.

Mr. COHEN. No, sir. You mean—

Mr. LAIRD. If you do not put medical care into it.

Mr. COHEN. That is right.

Mr. LAIRD. And if you are better in your estimate on this than you were on the disability benefits, because in the disability benefits as you will recall, the original estimate of the Department, as I understand it, was for four-tenths of 1 percent to finance this.

Mr. COHEN. Yes, sir.

Mr. LAIRD. The House Ways and Means Committee, and I give them credit, decided that you had to have five-tenths and they were the ones that wrote the five-tenths tax into the bill.

Now we find that really the original estimate was off by two-tenths of a percent, or 50 percent.

Now, that might not seem like a lot of money to you but when you start talking about a very regressive tax, such as the social security taxes, a tenth of a percent and two-tenths of 1 percent amounts to an awful lot of money.

Mr. COHEN. I do not think it was as much as two-tenths, Mr. Laird. I will put the correct figure into the record.

Mr. LAIRD. As I recall it was—

Mr. COHEN. I wouldn't argue with you on principle. Even the one-tenth is a substantial point.

Mr. LAIRD. How much does one-tenth amount to in dollars and cents?

Mr. COHEN. I will see if I can figure it. The total together?

Mr. COHEN. I will put it in the record.

Mr. LAIRD. Put it in the record.

(The information follows:)

SUMMARY HISTORY OF COST ESTIMATES FOR DISABILITY BENEFITS

This statement will present a brief historical summary on the actuarial cost estimates for the monthly-disability-benefits portion of the OASDI system. This will trace through not only the changes in the cost estimates resulting from the amended benefit provisions, but also those resulting from changed cost assumptions.

When the program was enacted in 1956, the estimated level-cost was 0.42 percent of taxable payroll. In 1958, before the enactment of the 1958 amendments, revised estimates were presented. These showed the estimated level-cost of the program to be decreased to 0.35 percent of taxable payroll. The reasons for this estimated decline in cost were: (a) That account was taken of the sig-

nificant effect of the "offset for other disability benefits" provision (which had not previously been taken into account) and (b) that the estimates of the size of the insured population that would be at risk of becoming disabled were considered more carefully and were revised downward (giving greater recognition to the relatively strict eligibility conditions—fully insured, currently insured, and having 20 quarters of coverage in the last 40 quarters preceding disability).

The 1958 amendments considerably liberalized the disability-benefits program by eliminating the aforementioned offset provision; by eliminating the requirement of currently insured status; by adding dependents benefits; and by increasing the general benefit level by about 7 percent. At the same time, the 1958 amendments contained a cost-reduction element for the disability-benefits program by the raising of the maximum earnings base. It will be kept in mind that the 1958 amendments did not alter the age 50 requirement for disability benefits. The estimated level-cost of the disability-benefits program, following the enactment of the 1958 amendments, was 0.49 percent of taxable payroll.

In 1960, before the enactment of the 1960 amendments, new cost estimates were made for the disability-benefits portion of the program. Not only did these reflect the higher earnings levels of recent years, but also the actual operating experience as to the rate of persons becoming disabled and going on the benefit roll. Also, some more reliable information was available as to the number of persons possessing insured status sufficient for them to be eligible for disability benefits if they became disabled. Since the rate of becoming disabled that was actually experienced was about the same for men as had been assumed, and considerably lower for women, a reduction in cost was indicated. The effect of the higher general earnings level also moved the cost in the same direction, and this too was so in regard to the estimates of the insured population, which were lower than previously assumed. As a result, the new cost estimate, prepared in 1960, for the system as it was following the 1958 amendments showed a level-cost of 0.35 percent of taxable payroll.

The 1960 amendments liberalized the disability benefits portion of the program primarily by eliminating the age 50 requirement. As a result, the estimated-level cost of the disability benefits was increased to 0.56 percent of taxable payroll. Congress recognized that this resulted in the disability benefits program having an actuarial lack of balance of 0.06 percent of taxable payroll (when measured against the level employer-employee contribution rate of one-half percent), but the belief was expressed that, considering the variability of cost estimates for disability benefits, this small actuarial deficit was not significant. Further, it was believed that, on the basis of future experience, such adjustments as might be necessary could be made.

The 1961 amendments slightly liberalized the disability benefits portion of the program by raising the minimum primary benefit from \$33 to \$40 per month and by liberalizing the fully insured status requirement in the next few decades of operation. The actuarial cost estimates for the disability benefits were not revised because it was believed that these changes would not produce significant cost increases (and, moreover, there were offsetting factors, such as the higher general earnings level being experienced and the more favorable interest basis on trust fund investments).

At the end of 1962, new cost estimates were made for the disability benefits portion of the system on the basis of a complete reexamination of all factors involved in the cost estimates. The major element resulting in higher estimated costs for the disability benefits was that the number of persons continuing on the benefit roll was significantly higher than had been anticipated—or in other words, disability termination rates due to death and recovery were lower than assumed in the actuarial cost estimates. The result of the new cost estimates was to show a level cost of 0.64 percent of taxable payroll.

Under present estimates the combination of both the OASI and disability systems is still within the area of actuarial balance. A different allocation of funds between systems is necessary, and the board of trustees has so recommended to be effective in 1966.

In 1956, one-tenth of 1 percent of payroll amounted to \$165 million. In 1962 it amounted to \$205 million.

WAGE BASE INCREASES

Mr. COHEN. Let me say this: That there is one element in connection with the whole system which is necessary in my personal opinion in order to keep the system indefinitely on a sound basis, that is keeping wage bases up with changes in the wage level.

When we started in 1935, the wage base was \$3,000. Congress has periodically change that first to \$3,600, then to \$4,200; and now \$4,800. But that wage base has not kept pace with the change in the level of wages. Wages, if you want a generalization, have trebled since that time. And the wage base today would need to be very much higher to have the system in the same relationship that it was, let's say, in 1939 when benefits first became payable.

Mr. LAIRD. Of course the benefit rate was also increased.

Mr. COHEN. Yes, it was.

Mr. LAIRD. You get back in the same position.

Mr. COHEN. No you do not. That is the reason that makes it different.

If that were true you would be correct, but the reason it does not, Mr. Laird, is for a very ingenious provision that was written in the law. As wages go up, the proportion of the wages that are compensable for benefit purposes are less than the increase in the wages.

In other words, the system, if you want to look at it this way—

Mr. LAIRD. No, I was talking about keeping the benefit ratio on the same basis, making a change in that particular section; then if you put the benefits on the same basis as the ratio of the wage base.

Mr. COHEN. Oh. That is not the way the system works at the present time.

Mr. LAIRD. No, but that can be changed.

Mr. COHEN. Oh, yes. You can change anything.

I am saying if you take the system as it is now on the \$4,800 wage base and change it as the administration for instance has recommended to \$5,200, or as other people have recommended to other amounts, the net effect of making that change, even though it substantially increases the benefit liabilities of the program, is to yield more income than the outgo. The net result is that the system is put on a stronger actuarial basis than it would be at present.

COMPLETE SOCIAL SECURITY COVERAGE FOR THE AGED

Mr. LAIRD. Mr. Secretary, what do you think about including everybody under social security?

Secretary CELEBREZZE. We just about have everybody now under social security. I think about 90 percent of the working population, 89—

Mr. LAIRD. I am talking about putting everybody from age 65 up under social security.

Mr. COHEN. I think he is speaking about what we refer to as "blanketing-in" the present aged—

Mr. LAIRD. I am talking about putting everybody under social security, under blanketing-in provisions, as a substitute for old-age assistance.

Secretary CELEBREZZE. I will have to refer that back to the expert because I don't have the statistical figures at my disposal.

Mr. LAIRD. Mr. Secretary, several years ago we blanketed in all farmers. We passed a bill providing that if a farmer was 63½ years old he would be blanketed-in with only paying benefits for six quarters.

Secretary CELEBREZZE. Yes.

Mr. LAIRD. If he was a little younger, it would require a little more—a few more quarters.

Mr. KELLY. If he was older he was not covered.

Mr. LAIRD. If he was older he was not covered.

What we did was blanket people in with the payment of a very small amount of taxes.

Mr. COHEN. That is the difference, Mr. Laird——

EFFECT ON OLD-AGE ASSISTANCE PROGRAM

Mr. LAIRD. Now there are several proposals before the Congress that would correct the situation that Mr. Denton was addressing himself to yesterday. There are several proposals—one to take them in at 65—blanket them in; another at 72. This would require some payment to the trust fund, but it would get away from the present State-Federal program as far as old-age assistance is concerned.

Mr. COHEN. No. No. No; it would not, Mr. Laird.

Mr. LAIRD. All right.

Mr. COHEN. May I discuss that.

Mr. LAIRD. I would like to have you discuss it.

Mr. COHEN. This proposal that you mention is commonly referred to as "blanketing in."

Mr. LAIRD. Well, it is really the proposal of Congressman Byrnes of Wisconsin. I think there are other Members, also.

Mr. COHEN. Yes. Mr. Curtis also proposed it. It has been proposed by a number of other people in Congress over the years but the latest version is the one that Congressman Byrnes has introduced and the subject has been exhaustively—well, I should say, at least repeatedly—discussed in both the Ways and Means Committee and the Finance Committee.

There is no question that there are several different aspects to such a proposal.

One would be, while you could not do away with old-age assistance, it would tend to reduce the expenditures to some extent, depending on where you set the amount, and where you set the age. Those are the two variables.

Mr. LAIRD. It certainly would bring about a reduction in the old-age assistance.

Mr. COHEN. That is right, but here is the problem.

I cannot give you the exact mathematics, but for every dollar that you would have to pay in general revenues to finance the blanketing in, you might only get a—I cannot give you the right figure now—let's say, 25-percent reduction in Federal old-age assistance costs because you blanket in. There are only 13 percent of the aged today on old-age assistance. So when you blanket in all the residual 2¼ to 2½ to some 3 or 4 million aged that are not under social security, you are blanketing in as well millionaires and the people living on investment income who are not on old-age assistance.

Now, that may have some advantage but all I am saying is this—

Mr. LAIRD. Under your old-age health program, you are blanketing in millionaires. There couldn't be any objection to that.

Mr. COHEN. No. No. My point is different. That is not objectionable. I am saying that you have to spend maybe three or four times as much out of general revenue when you blanket them in to have an effect on old-age assistance.

I am only talking about that point. Do you see that?

Mr. LAIRD. No. I understand that, sure; but I thought you were stating that as an objection in the philosophy.

Mr. COHEN. No. I am stating, simply as a factor on cost, that is all. In other words, the cost of blanketing in, you have to take an amount, let's say you take \$40 or \$45 or \$50—they are the general amounts usually discussed in this kind of a proposal. I don't have the exact figures in my head. Even if you use age 72 or 70, and certainly if you use age 65, the total cost of the blanketing in would run you into several billions of dollars over a period of time. The general thought behind that is that would be paid out of general revenues.

My only point is that the general revenue taxpayer would be financing a substantial cost, the net effect upon assistance of which would only be a fraction of that expenditure. That was my only point. That is one of the factors that the Ways and Means Committee took into account. They say, "Well, look. We have to raise this general revenue tax; but the impact on Federal old-age assistance is only, let's say 25 cents out of every dollar put in." That is actually one problem that both Ways and Means and Finance have together.

The second problem that the committees have had with it is the question of the determination of this amount. What should this dollar amount be: \$40; \$43; \$32; \$72? Pick your number. It is a little bit different than the determination of the minimum under the other type program, for the simple reason that, since this cost would be apparently met out of general revenue, both the Ways and Means Committee and the Finance Committee would be afraid that, since it doesn't come under the payroll tax, there would be a lot of pressure on the committee to raise the amount, irrespective of what its financing cost would be.

The third factor that has mitigated against it is one in answer to your point, and this is a point that both Mr. Mills and Senator Byrd have raised repeatedly since it has been discussed. Senator Harry Byrd has said: "The difference between this kind of blanketing in and Mr. Byrne's bill and when we blanket farmers in, is that we at least made the farmers pay for six quarters." Now, he says, "That is different than giving them the whole thing for nothing."

That is what Senator Byrd and Mr. Mills said. It is true that you can argue that this blanketing in of the people who are very old, gave them a very substantial benefit for a very little amount of contribution but they did have to pay something.

Now, when you go to the next step, he says, where you give the fellow the benefit and he is not paying anything, he said, "I cannot see that."

As a matter of fact, Dr. Flemming appointed an advisory committee in 1958 of which I was a member, in which we reviewed this exhaustively and we could not get agreement on this matter and you

will find their conclusions on this question stated in the report of the Advisory Council on Public Assistance, that was submitted to the Congress in 1959 or 1960.

ADMINISTRATIVE COSTS OF SOCIAL SECURITY

Mr. LAIRD. Well, Mr. Secretary, when you look over the budget document I sometimes get concerned about how close a touch we are keeping on the use of the trust funds to pay administrative expenses.

Are you satisfied that the limitation requested in this budget as far as salary and expenses is absolutely needed?

Secretary CELEBREZZE. I was completely surprised at the lowness of the administrative cost of running the Bureau, as large and extensive as the Bureau of Old-Age and Survivors Insurance is—

What was that?

Mr. MILES. It is 2.3 cents on the dollar.

Secretary CELEBREZZE. Yes, it was 2.3 cents on the dollar, for administrative costs, and that is low.

Mr. COHEN. That includes both the Bureau expenses and the costs of the appropriate tax collection.

Secretary CELEBREZZE. It is a total operation. That is extremely low for an operation of this size. I was really surprised. Of course, part of it is possible because they mechanized a great deal, and they are continuing to mechanize. As I stated in answer to a question yesterday, they have saved a great deal on personnel by bringing in machinery of some kind. Their operating costs are, I think, extremely low and there is a very good job being done on the program.

Mr. LAIRD. Sometimes we have a feeling that because these are trust funds, they are spent more freely than other funds and I hope that isn't the philosophy here.

Secretary CELEBREZZE. You must remember, we have checks and balances within the Department too. In a week or so, I will be naming a committee to study and analyze the structure again, a group which is required by the law. We are now in the process of selecting

people from industry and labor and insurance company actuaries, who review these things constantly. But as far as I have gotten into the operations of the Bureau, I have been pleased with their manner of operation and their cost factors.

Mr. KELLY. I would further say that the judgments exercised in the Secretary's office have not distinguished trust funds from general funds. We think the same kind of policies apply to both, and both of them are taxpayers' money.

FIELD STAFF

Mr. LAIRD. Mr. Secretary, on page 478 of the Budget Appendix, fiscal year 1964, I find that your Department has approximately 23,000 regional employees; about 46 per State, if you divide it out on a State basis.

Does this include all of the 600 employees in your Office of Field Administration, or are these considered a part of the Washington office?

Secretary CELEBREZZE. I will refer that to Mr. Kelly.

Mr. KELLY. In the Office of Field Administration, the preponderance of the staff is located in the regional offices.

Mr. LAIRD. So those are included—the 600 employees are included as part of the 23,000 regional employees?

Mr. KELLY. I don't recall the table itself, but I have no question that that would be treated as part of the regional staff.

Mr. LAIRD. Will you furnish the committee with a breakdown by region and program of your Department's field employees in the United States, and by countries abroad; also include your Department's personnel in the Washington area.

Mr. KELLY. Is there a specific period that you would like to have it for? We have now such a report readily available as of December 31.

Mr. LAIRD. December 31 would be fine.

(The information requested follows:)

Geographical distribution of paid employment as of Dec. 31, 1962¹
 [As reported to Civil Service Commission]

	Within Health, Education, and Welfare regions									District of Columbia area	Other ²	Grand total
	I	II	III	IV	V	VI	VII	VIII	IX	Total		
Food and Drug Administration.....	82	275	64	93	300	306	174	60	252	1,606	1,137	2,743
Office of Education.....	10	12	7	11	13	11	13	8	21	106	1,142	1,248
Office of Vocational Rehabilitation.....	7	7	5	7	5	5	6	4	6	52	192	244
Public Health Service.....	669	1,919	2,052	2,152	1,943	1,126	3,641	705	4,363	18,570	12,985	31,817
Freedmen's Hospital.....											911	911
St. Elizabeths Hospital.....											3,716	3,716
Social Security Administration.....	959	6,651	1,500	3,434	4,515	2,558	1,644	414	3,017	24,692	1,012	35,662
Office of the Secretary.....	62	94	83	82	95	67	73	46	87	689	9,958	10,647
Total.....	1,789	8,958	3,711	5,779	6,871	4,073	5,551	1,237	7,746	45,715	21,792	67,507

¹ Excludes Howard University and Gallaudet College employees.

² Social Security Administration and Office of the Secretary figures represent employees located at Bureau of Old-Age and Survivors Insurance headquarters, Baltimore, Md.

Public Health Service figures represent employees in other countries as shown on attached list.

NOTE.—States and territories located within regions are shown on attached statement.

Paid employment in other countries, Dec. 31, 1962 (Public Health Service)

<i>Country</i>	<i>Number of employees</i>	<i>Country</i>	<i>Number of employees</i>
Argentina.....	1	Ivory Coast.....	2
Austria.....	4	Japan.....	9
Bolivia.....	1	Jordan.....	1
Brazil.....	9	Liberia.....	1
Cambodia.....	1	Libya.....	1
Cameroons (French).....	1	Malaya.....	4
Canada.....	12	Nepal.....	1
Ceylon.....	1	Netherlands.....	6
Colombia.....	1	Surinam.....	1
Costa Rica.....	2	Nicaragua.....	3
Dominican Republic.....	1	Nigeria.....	2
Ecuador.....	3	Pakistan.....	10
El Salvador.....	1	Panama.....	1
Ethiopia.....	9	Peru.....	1
France.....	35	Philippines.....	3
Germany.....	29	Sarawak.....	1
Ghana.....	13	Senegal.....	1
Great Britain.....	17	Sierra Leone.....	2
North Borneo.....	2	Samadi Republic.....	1
Bermuda.....	1	Sweden.....	1
British Guiana.....	1	Switzerland.....	1
Greece.....	4	Tanganyika.....	1
Guatemala.....	1	Thailand.....	3
Haiti.....	2	Tunisia.....	1
Honduras.....	1	Turkey.....	1
India.....	8	Egypt.....	1
Indonesia.....	3	Vietnam.....	19
Iran.....	5		
Israel.....	3	Total.....	262
Italy.....	11		

PROSPECTIVE EXPANSION OF STAFF

Mr. LAIRD. With the various proposed programs of expansion and the addition of medical care programs and other new legislation, your Washington and your field forces would be greatly expanded, would they not, if Congress approves all these things?

Secretary CELEBREZZE. They would, to a degree, but in many of them, of course, you would merely have a staff which you possibly could use in the additional program of hospitalization. There would be an increase in staff. There is no doubt about it. The workload would be tremendous. We are requesting that the effective date for benefits be the same date as that when the tax deductions will be applied.

Mr. COHEN. 1965.

Secretary CELEBREZZE. January 1, 1965.

You would have to have additional staff. You could not assume a program of this magnitude unless you have it.

Mr. LAIRD. I wonder if you could supply the committee with an estimate of the increase which would occur on the adoption of the various expanded programs, and new programs you propose, broken down by region and Washington?

Mr. KELLY. Yes, sir.

(The requested information follows:)

*Geographical distribution of proposed staffing, fiscal year 1964*¹

	Within Health, Education, and Welfare regions (see p. 218 for regional boundaries)										District of Columbia area	Other ²	Grand total
	I	II	III	IV	V	VI	VII	VIII	IX	Total			
Under existing legislation:													
Food and Drug Administration	114	422	167	111	365	416	195	70	341	2,201	1,666		3,867
Office of Education	9	12	7	10	13	11	13	7	22	104	1,194		1,298
Vocational Rehabilitation Administration													
Public Health Service	8	7	6	7	6	5	6	3	6	54	191		245
Freedmen's Hospital	734	1,780	1,990	2,763	1,992	1,091	4,288	706	3,955	19,299	14,755	323	34,357
St. Elizabeths Hospital											881		881
Social Security Administration	962	6,641	1,938	3,556	4,760	2,673	1,736	419	3,212	25,897	3,957		3,957
Welfare Administration ³	22	27	31	132	33	28	31	28	37	369	756	11,554	37,451
Office of the Secretary	59	91	81	88	101	76	76	49	92	713	527	87	1,125
Total, under existing legislation	1,908	8,980	4,220	6,667	7,270	4,300	6,345	1,282	7,665	48,637	23,907	11,914	84,458
Under proposed legislation:													
Office of Education: National Education Improvement Act	5	12	7	12	12	8	7	3	10	76	424		500
Vocational Rehabilitation Administration: Mental retardation	1	2	1	1	2	1	1	1	2	12	28		440
Public Health Service: Medical aid to education		2	2	2	2	2	2		2	14	36		50
Other Department of Health, Education, and Welfare: Mental retardation													
Total, under proposed legislation	6	17	11	15	16	12	10	5	14	106	517		623
Grand total	1,914	8,997	4,231	6,682	7,286	4,312	6,355	1,287	7,679	48,743	24,424	11,914	85,081

¹ Excludes Gallaudet College and Howard University.

² Social Security Administration and Office of the Secretary figures represent staffing proposed for Social Security Administration Baltimore headquarters office; Public Health Service figures represent staffing in other countries.

³ Includes 115 positions for "Assistance to Cuban refugees in the United States" which were not included in 1964 President's budget.

⁴ Proposals transmitted to Congress subsequent to testimony.

Mr. KELLY. Let me say that we have before you, an estimate in this budget for 84,000 employees in the Department. We estimate that, if the legislation presented in the Congress were enacted, we would have to request supplemental appropriations in 1964 for about 500 additional employees.

I pointed out to you yesterday that this did not include the estimated staff which might be required if the health insurance program for the aged were enacted in social security, because the effective date would be 1965.

Now, we could give you a breakdown of the 84,000 employees in our regular budget, in the manner which you request; then we can take the 550 additional employees that are associated with new legislation and break them down, and then we can give you an estimate, at least a tentative estimate, of the staffing requirements for the health insurance program for the aged, but the time period is, for those three, somewhat different.

Mr. LAIRD. I imagine the health programs for the aged would result in large increases in staff until fiscal 1966, would it not?

Mr. KELLY. Well, we have a very tentative estimate that this would require about 2,500 employees, but it is a tentative estimate at this point. It makes a great deal of difference what the provisions of the law are, as to what the administrative complexities are and how it will be carried forward.

LOCATION OF FIELD OFFICES

Mr. LAIRD. Will you supply the committee with a list of the present and anticipated Social Security, Food and Drug, Public Health and other Health, Education and Welfare field offices.

Mr. KELLY. Yes, sir.

We have about 600 district offices in Social Security, plus 6 area offices and 9 regional offices. In the Food and Drug Administration, we have 18 district offices. We also have some resident stations, where we have one or two persons who do not maintain an office, and they work out of their home. We have a resident station for them.

Mr. LAIRD. I was not including the resident stations.

Mr. KELLY. We have 18 district offices.

Mr. LAIRD. Every now and then I read about a new office opening. As a matter of fact, I got a notice the other day that a new social security office was opening in Wisconsin Rapids. We have always been serviced out of Wausau, and they opened another one in Wisconsin Rapids.

Mr. KELLY. Well, generally speaking, the only place that I can think of where we would be opening offices, that you would really want to have in the budget, in specifics, is Social Security Administration. We open up about 15-20 offices a year, on the average; that agency maintains a constant perusal of the workload that is covered by each district office, and identifies the need for new district offices, based on the distribution and size of the population.

Mr. LAIRD. What I would like to have, is a list of the present ones and anticipated ones. I don't know how far you anticipate. I don't suppose you are going to anticipate more than 2 years ahead.

Mr. KELLY. I don't think we anticipate that far—through the year 1964, we anticipated we would open so many new offices.

Mr. LAIRD. Include the existing ones and those you have plans to open.

Mr. KELLY. This is a very long list, you understand. It is over 600 offices.

If you only want the new ones, this is a very short one.

Mr. LAIRD. I would like to have a list of the old ones, too.

Mr. KELLY. Yes. Yes, sir.

(The list follows:)

District and other field offices, exclusive of resident stations, proposed to be established between Feb. 1, 1963, and June 30, 1964

<i>State and city</i>	<i>Title of office or activity in Public Health Service</i>
Alabama: Dauphin Island-----	Gulf Coast Shellfish Sanitation Research Center.
Alaska: Gambell-----	Indian health.
Arizona: Dennehotso'-----	Do.
Georgia: Atlanta area-----	Water pollution control.
Indiana: Evansville-----	Do.
Jamaica: Kingston'-----	Foreign quarantine.
Kentucky: Louisville-----	Dental services and resources.
Maryland:	
Annapolis-Baltimore area-----	Water pollution control.
Cumberland-----	Do.
Laurel-----	National Institutes of Health.
Massachusetts:	
Boston-----	Water pollution control.
Hartford or Springfield-----	Do.
Mexico:	
Mexico City-----	Foreign quarantine.
Monterrey-----	Do.
Missouri: Kansas City-----	Water pollution control.
Montana: Heart Butte-----	Indian health.
New Jersey: Metuchen-----	Water pollution control.
New Mexico: San Ysidro ¹ -----	Indian health.
New York:	
Albany-----	Water pollution control.
New York City-----	Do.
Rochester-----	Do.
North Dakota: Grand Forks-----	Do.
Ohio: Cincinnati-----	Do.
Philippines: Manila-----	Foreign quarantine.
Rhode Island: Kingston-----	Northeast Shellfish Sanitation Research Center.
South Dakota: Fort Thompson ¹ -----	Indian health.
West Virginia: Wheeling-----	Water pollution control.
Wisconsin: Wisconsin Rapids-----	SSA-OASI district office. ²

¹ To be opened during fiscal year 1963.

² While this is the only office currently scheduled for opening during this period, studies are periodically made of the need for additional district offices. Depending on the results of these studies other offices may be opened during 1964. During fiscal year 1962, 17 district offices were opened; during fiscal 1963, 12 district offices are planned to be opened.

Regional and field offices (excluding resident stations), January 1963

[See end of listing for explanation of legend]

ALABAMA

<i>City</i>	<i>Title of office or activity</i>
Anniston-----	SSA-OASI-DO.
Birmingham-----	SSA-OASI-DO.
Do-----	SSA-OASI-PC.
Do-----	SSA-OHA.
Decatur-----	SSA-OASI-DO.
Dothan-----	SSA-OASI-DO.
Gadsden-----	SSA-OASI-DO.
Huntsville-----	SSA-OASI-DO.
Mobile-----	PHS-FQS.
Do-----	PHS-OC.
Do-----	SSA-OASI-DO.
Do-----	SSA-OHA.
Montgomery-----	SSA-OASI-DO.
Do-----	PHS-DRH.
Selma-----	SSA-OASI-DO.
Sheffield-----	SSA-OASI-DO.
Tuscaloosa-----	SSA-OASI-DO.

ALASKA

Anchorage-----	OS-BRO.
Do-----	PHS-ANH.
Do-----	PHS-ANH-AO.
Do-----	PHS-AHRC.
Do-----	PHS-FQS.
Barrow-----	PHS-ANH.
Bethel-----	PHS-ANH.
Fort Yukon-----	PHS-ANHC.
Juneau-----	PHS-ANHC.
Do-----	SSA-OASI-DO.
Kanakanak-----	PHS-ANH.
Kotzebue-----	PHS-ANH.
Mount Edgecumbe-----	PHS-ANH.
Do-----	PHS-ANH-FO.
Do-----	PHS-ANSHC.
Nome-----	PHS-ANHC.
Pribilof Islands:	
St. George-----	Fish and Wildlife.
	Service hospital.
St. Paul-----	Fish and Wildlife.
	Service hospital.
Tanana-----	PHS-ANH.
Wrangell-----	PHS-ANSHC.

ARIZONA

Chinle-----	PHS-IHC.
Douglas-----	PHS-FQS.
Fort Defiance-----	PHS-IH.
Kayenta-----	PHS-IHC.
Keams Canyon-----	PHS-IH.
Lukeville-----	PHS-FQS.
Naco-----	PHS-FQS.
Nogales-----	PHS-FQS.
Parker-----	PHS-IH.
Peach Springs-----	PHS-IHC.
Phoenix-----	PHS-CDC-A.
Do-----	PHS-ISHC.
Do-----	PHS-IH.
Do-----	PHS-IHAO.
Do-----	SSA-OASI-OD.
Do-----	SSA-OHA.

Regional and field offices (excluding resident stations), January 1963—Continued

ARIZONA—continued

<i>City</i>	<i>Title of office or activity</i>
Prescott.....	SSA-OASI-DO.
Sacaton.....	PHS-IH.
San Carlos.....	PHS-IH.
San Luis.....	PHS-FQS.
Santa Rosa.....	PHS-IHC.
Sells.....	PHS-IH.
Tuba City.....	PHS-IH.
Tucson.....	PHS-IH.
Do.....	SSA-OASI-DO.
Whiteriver.....	PHS-IH.
Window Rock.....	PHS-IHFO.
Winslow.....	PHS-IH.

ARKANSAS

El Dorado.....	SSA-OASI-DO.
Fayetteville.....	SSA-OASI-DO.
Fort Smith.....	SSA-OASI-DO.
Helena.....	SSA-OASI-DO.
Hot Springs.....	SSA-OASI-DO.
Jonesboro.....	SSA-OASI-DO.
Little Rock.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Pine Bluff.....	SSA-OASI-DO.

CALIFORNIA

Bakersfield.....	PHS-CDC-A.
Do.....	SSA-OASI-DO.
Berkeley.....	SSA-OASI-DO.
Calxico.....	PHS-FQS.
Chico.....	SSA-OASI-DO.
El Centro.....	PHS-FQS.
Eureka.....	SSA-OASI-DO.
Fresno.....	FDA-RIS.
Do.....	SSA-OASI-DO.
Glendale.....	SSA-OASI-DO.
Hollywood.....	SSA-OASI-DO.
Huntington Park.....	SSA-OASI-DO.
Inglewood.....	SSA-OASI-DO.
Long Beach.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Los Angeles.....	FDA-DO.
Do.....	PHS-NCI-A.
Do.....	PHS-OC.
Do.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Modesto.....	SSA-OASI-DO.
Oakland.....	SSA-OASI-DO.
Pomona.....	SSA-OASI-DO.
Pasadena.....	SSA-OASI-DO.
Redding.....	SSA-OASI-DO.
Riverside.....	PHS-ISHC.
Sacramento.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Salinas.....	SSA-OASI-DO.
San Bernardino.....	SSA-OASI-DO.
San Diego.....	PHS-OC.
Do.....	PHS-FQS.
Do.....	SSA-OASI-DO.
San Francisco.....	OS-RO.
Do.....	RO-A.
Do.....	RO-CB.

Regional and field offices (excluding resident stations), January 1963—Continued

CALIFORNIA—continued

<i>City</i>	<i>Title of office or activity</i>
San Francisco—Continued	
Do.....	RO-FCU.
Do.....	RO-FS.
Do.....	RO-OASI.
Do.....	RO-OED.
Do.....	RO-VRA.
Do.....	RO-PHS.
Do.....	RO-SP.
Do.....	RO-SSA-OHA.
Do.....	FDA-DO.
Do.....	PHS-ACP-A.
Do.....	PHS-DCD-A.
Do.....	PHS-CDC-A.
Do.....	PHS-DN-NRFC.
Do.....	PHS-DPR-A.
Do.....	(Dental Health Center.)
Do.....	PHS-FQS.
Do.....	PHS-HSP.
San Francisco (Civic Center).....	SSA-OASI-DO.
San Francisco (Mission).....	SSA-OASI-DO.
San Francisco.....	SSA-OASI-PC.
Do.....	SSA-OHA.
San Jose.....	SSA-OASI-DO.
San Luis Obispo.....	SSA-OASI-DO.
San Mateo.....	SSA-OASI-DO.
San Pedro.....	PHS-OC.
San Ysidro.....	PHS-FQS.
Santa Ana.....	SSA-OASI-DO.
Santa Barbara.....	SSA-OASI-DO.
Santa Monica.....	SSA-OASI-DO.
Santa Rosa.....	SSA-OASI-DO.
Stockton.....	SSA-OASI-DO.
Tecate.....	PHS-FQS.
Terminal Island.....	PHS-FQS.
Do.....	PHS-EEFP-VIS.
Torrance.....	SSA-OASI-DO.
Vallejo.....	SSA-OASI-DO.
Van Nuys.....	SSA-OASI-DO.
Ventura.....	SSA-OASI-DO.
Visalia.....	SSA-OASI-DO.
Winterhaven.....	PHS-IH.
Whittier.....	SSA-OASI-DO.

CANAL ZONE

Balboa Heights.....	PHS-NIAID-A.
Do.....	PHS-OC.

COLORADO

Colorado Springs.....	SSA-OASI-DO.
Denver.....	OS-RO.
Do.....	RO-A.
Do.....	RO-CB.
Do.....	RO-CD.
Do.....	RO-FS.
Do.....	RO-OASI.
Do.....	RO-OED.
Do.....	RO-VRA.
Do.....	RO-PHS.
Do.....	FDA-DO.
Do.....	PHS-WSPC.
Do.....	SSA-OASI-DO.
Do.....	SSA-OHA.

Regional and field offices (excluding resident stations), January 1963—Continued

COLORADO—continued

City	Title of office or activity
Grand Junction-----	SSA-OASI-DO.
Greeley-----	SSA-OASI-DO.
Do-----	PHS-CDC-A.
Ignacio-----	PHS-IHC.
Pueblo-----	SSA-OASI-DO.
Trinidad-----	SSA-OASI-DO.

CONNECTICUT

Bridgeport-----	SSA-OASI-DO.
Hartford-----	SSA-OASI-DO.
Manchester-----	PHS-HMF.
Meriden-----	SSA-OASI-DO.
New Britain-----	SSA-OASI-DO.
New Haven-----	SSA-OASI-DO.
New London-----	SSA-OASI-DO.
Stamford-----	SSA-OASI-DO.
Torrington-----	SSA-OASI-DO.
Waterbury-----	SSA-OASI-DO.
Willimantic-----	

DELAWARE

Dover-----	SSA-OASI-DO.
Wilmington-----	SSA-OASI-DO.

DISTRICT OF COLUMBIA (INCLUDES HEADQUARTERS OFFICES)

Washington-----	FAC-GC.
Do-----	FAC-HU.
Do-----	PHS-CDC.
Do-----	PHS-CDC.
Do-----	PHS-DCD-A.
Do-----	PHS-DPR.
Do-----	PHS-FH.
Do-----	FQS.
Do-----	PHS-DCD-A.
Do-----	PHS-NIMH-A.
Do-----	PHS-OC.
Do-----	ST. E.
Do-----	SSA-OASI-DO.
Do-----	SSA-OHA.
Do-----	SSA-OHA.
	(Central office)
Do-----	PHS-EEFP.
	(suboffice)

FLORIDA

Daytona Beach-----	SSA-OASI-DO.
Fort Lauderdale-----	SSA-OASI-DO.
Gainesville-----	SSA-OASI-DO.
Jacksonville-----	PHS-FQS.
Do-----	PHS-OC.
Do-----	SSA-OHA.
Do-----	SSA-OASI-DO.
Lakeland-----	SSA-OASI-DO.
Miami-----	PHS-OC.
Do-----	SSA-OHA.
Miami (Downtown)-----	SSA-OASI-DO.
Miami (North)-----	SSA-OASI-DO.
Miami Beach-----	PHS-FQS.
Orlando-----	SSA-OHA.
Do-----	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

FLORIDA—continued

<i>City</i>	<i>Title of office or activity</i>
Panama City.....	SSA-OASI-DO.
Pensacola.....	SSA-OASI-DO.
Sarasota.....	SSA-OASI-DO.
St. Petersburg.....	SSA-OASI-DO.
Tallahassee.....	SSA-OASI-DO.
Tampa.....	PHS-FQS.
Do.....	PHS-OC.
Do.....	SSA-OASI-DO.
West Palm Beach.....	SSA-OASI-DO.
Do.....	PHS-FQS.

GEORGIA

Albany.....	SSA-OASI-DO.
Athens.....	SSA-OASI-DO.
Atlanta.....	OS-RO.
Do.....	RO-A.
Do.....	RO-CB.
Do.....	RO-CD.
Do.....	RO-FCU.
Do.....	RO-FS.
Do.....	RO-OASI.
Do.....	RO-OED.
Do.....	RO-VRA.
Do.....	RO-PHS.
Do.....	RO-SP.
Do.....	RO-SSA-OHA.
Do.....	FDA-DO.
Do.....	PHS-CDC.
Do.....	PHS-CDC-A.
Do.....	PHS-OC.
Do.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Augusta.....	SSA-OHA.
Chamblee.....	PHS-CDC-A.
Do.....	PHS-NIAID-A.
Columbus.....	PHS-CDC-A.
Do.....	SSA-OASI-DO.
Gainesville.....	SSA-OASI-DO.
LaGrange.....	SSA-OASI-DO.
Macon.....	SSA-OASI-DO.
Rome.....	SSA-OASI-DO.
Savannah.....	PHS-CDC-A.
Do.....	PHS-FQS.
Do.....	PHS-HSP.
Do.....	SSA-OASI-DO.
Thomasville.....	SSA-OASI-DO.
Valdosta.....	SSA-OASI-DO.
Waycross.....	SSA-OASI-DO.

GUAM

Agana.....	PHS-NINDB-A.
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HAWAII

Hilo.....	SSA-OASI-DO.
Honolulu.....	BRO-FCU.
Do.....	OS-BRO.
Do.....	SSA-OASI-DO.
Do.....	PHS-FQS.
Do.....	PHS-OC.
Do.....	PHS-NIAID-A.
Do.....	PHS (dental clinic).

Regional and field offices (excluding resident stations), January 1963—Continued

IDAHO

<i>City</i>	<i>Title of office or activity</i>
Boise-----	SSA-OASI-DO.
Fort Hall-----	PHS-IHC.
Lewiston-----	SSA-OASI-DO.
Pocatello-----	SSA-OASI-DO.
Twin Falls-----	SSA-OASI-DO.

ILLINOIS

Alton-----	SSA-OASI-DO.
Aurora-----	SSA-OASI-DO.
Berwyn-----	SSA-OASI-DO.
Bloomington-----	SSA-OASI-DO.
Champaign-----	SSA-OASI-DO.
Chicago-----	OS-RO.
Do-----	RO-A.
Do-----	RO-CB.
Do-----	RO-CD.
Do-----	RO-FCU.
Do-----	RO-FS.
Do-----	RO-OASI.
Do-----	RO-OED.
Do-----	RO-VRA.
Do-----	RO-PHS.
Do-----	RO-SP.
Do-----	RO-SSA-OHA.
Do-----	FDA-DO.
Do-----	PHS-HSP.
Do-----	PHS-FQS.
Do-----	PHS-WSPC.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-PC.
Do-----	SSA-OHA.
Danville-----	SSA-OASI-DO.
Decatur-----	SSA-OASI-DO.
East St. Louis-----	SSA-OASI-DO.
Elgin-----	SSA-OASI-DO.
Evanston-----	SSA-OASI-DO.
Galesburg-----	SSA-OASI-DO.
Harrisburg-----	SSA-OASI-DO.
Harvey-----	SSA-OASI-DO.
Joliet-----	SSA-OASI-DO.
Kankakee-----	SSA-OASI-DO.
Mount Vernon-----	SSA-OASI-DO.
Oak Park-----	SSA-OASI-DO.
La Salle-----	SSA-OASI-DO.
Peoria-----	SSA-OASI-DO.
Quincy-----	SSA-OASI-DO.
Rockford-----	SSA-OASI-DO.
Rock Island-----	SSA-OASI-DO.
Springfield-----	SSA-OASI-DO.
Sterling-----	SSA-OASI-DO.
Waukegan-----	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

INDIANA

<i>City</i>	<i>Title of office or activity</i>
Anderson.....	SSA-OASI-DO.
Bloomington.....	SSA-OASI-DO.
Columbus.....	SSA-OASI-DO.
Elkhart.....	SSA-OASI-DO.
Evansville.....	SSA-OASI-DO.
Fort Wayne.....	SSA-OASI-DO.
Gary.....	SSA-OASI-DO.
Hammond.....	SSA-OASI-DO.
Indianapolis.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Kokomo.....	SSA-OASI-DO.
Lafayette.....	SSA-OASI-DO.
Madison.....	SSA-OASI-DO.
Marion.....	SSA-OASI-DO.
Michigan City.....	SSA-OASI-DO.
Muncie.....	SSA-OASI-DO.
New Albany.....	SSA-OASI-DO.
Richmond.....	SSA-OASI-DO.
South Bend.....	SSA-OASI-DO.
Terre Haute.....	SSA-OASI-DO.
Vincennes.....	SSA-OASI-DO.

IOWA

Burlington.....	SSA-OASI-DO.
Cedar Rapids.....	SSA-OASI-DO.
Creston.....	SSA-OASI-DO.
Davenport.....	SSA-OASI-DO.
Des Moines.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Dubuque.....	SSA-OASI-DO.
Fort Dodge.....	SSA-OASI-DO.
Mason City.....	SSA-OASI-DO.
Ottumwa.....	SSA-OASI-DO.
Sioux City.....	SSA-OASI-DO.
Waterloo.....	SSA-OASI-DO.

KANSAS

Dodge City.....	SSA-OASI-DO.
Hays.....	SSA-OASI-DO.
Hutchinson.....	SSA-OASI-DO.
Independence.....	SSA-OASI-DO.
Kansas City.....	SSA-OASI-DO.
Do.....	PHS-CDC-A.
Lawrence.....	PHS-ISHC.
Pittsburg.....	SSA-OASI-DO.
Salina.....	SSA-OASI-DO.
Topeka.....	SSA-OASI-DO.
Wichita.....	SSA-OASI-DO.

KENTUCKY

Ashland.....	SSA-OASI-DO.
Bowling Green.....	SSA-OASI-DO.
Campbellsville.....	SSA-OASI-DO.
Corbin.....	SSA-OASI-DO.
Covington.....	SSA-OASI-DO.
Elizabethtown.....	SSA-OASI-DO.
Frankfort.....	SSA-OASI-DO.
Hazard.....	SSA-OASI-DO.
Hopkinsville.....	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

KENTUCKY—continued

<i>City</i>	<i>Title of office or activity</i>
Lexington.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Do.....	PHS-HSP.
Do.....	PHS-NIMH-A.
Louisville.....	FAC-APH.
Do.....	PHS-NCI-A.
Do.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Owensboro.....	SSA-OASI-DO.
Paducah.....	SSA-OASI-DO.
Pikeville.....	SSA-OASI-DO.

LOUISIANA

Alexandria.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Baton Rouge.....	SSA-OASI-DO.
Carville.....	PHS-HSP.
Houma.....	SSA-OASI-DO.
Lafayette.....	SSA-OASI-DO.
Lake Charles.....	SSA-OASI-DO.
Monroe.....	SSA-OASI-DO.
New Orleans.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Do.....	FDA-DO.
New Orleans.....	PHS-EEFP-VIS.
New Orleans.....	PHS-NCI-A.
New Orleans (Algiers).....	PHS-FQS.
New Orleans.....	PHS-HSP.
Shreveport.....	SSA-OASI-DO.

MAINE

Augusta.....	SSA-OASI-DO.
Bangor.....	SSA-OASI-DO.
Lewiston.....	SSA-OASI-DO.
Portland.....	SSA-OASI-DO.
Do.....	PHS-FQS.
Do.....	PHS-OC.
Presque Isle.....	SSA-OASI-DO.

MARYLAND

Adelphi.....	PHS-NIMH-A.
Baltimore.....	FDA-DO.
Baltimore.....	PHS-EEFP-VIS.
Baltimore.....	PHS-FQS.
Do.....	PHS-HSP.
Do.....	PHS-NHI-A.
Do.....	SSA-OASI-DO.
Do.....	SSA-OASI-DO.
Do.....	SSA-PC.
Bethesda.....	PHS-NIH.
Do.....	PHS-NIH-CC.
Do.....	PHS-NIH-DBS.
Do.....	PHS-NIH-DRER.
Do.....	PHS-NIH-DRG.
Do.....	PHS-NIH-DRS.
Do.....	PHS-NCI.
Do.....	PHS-NHI.
Do.....	PHS-NIAID.
Do.....	PHS-NIAMD.
Do.....	PHS-NIDR.
Do.....	PHS-NIMH.
Do.....	PHS-NINDB.

Regional and field offices (excluding resident stations), January 1963—Continued

MARYLAND—continued

<i>City</i>	<i>Title of office or activity</i>
Bethesda—Continued	PHS-NIGMS.
Do.....	PHS-NICHHD.
Do.....	PHS-NLM.
Cumberland.....	SSA-OASI-DO.
Glen Burnie.....	SSA-OASI-DO.
Hagerstown.....	PHS-NCI-A.
Do.....	SSA-OASI-DO.
Perry Point.....	PHS-MSD.
Rockville.....	PHS-DRH.
Salisbury.....	SSA-OASI-DO.
Silver Spring.....	SSA-OASI-DO.

MASSACHUSETTS

Attleboro.....	SSA-OASI-DO.
Boston.....	OS-RO.
Do.....	RO-A.
Do.....	RO-CB.
Do.....	RO-CD.
Do.....	RO-FCU.
Do.....	RO-FS.
Do.....	RO-OASI.
Do.....	RO-OED.
Do.....	RO-VRA.
Do.....	RO-PHS.
Do.....	RO-SP.
Do.....	FDA-DO.
Do.....	PHS-DCD-A.
Do.....	PHS-FQS.
Do.....	PHS-HSP.
Do.....	PHS-NCI-A.
Do.....	PHS-NCI-A.
Boston-Roxbury.....	SSA-OASI-DO.
Boston.....	SSA-OHA.
Brockton.....	SSA-OASI-DO.
Cambridge.....	SSA-OASI-DO.
Chelsea.....	SSA-OASI-DO.
Fall River.....	SSA-OASI-DO.
Fitchburg.....	SSA-OASI-DO.
Framingham.....	PHS-NHI-A.
Do.....	PHS-NHI-A.
Do.....	PHS-NHI-A.
Do.....	SSA-OASI-DO.
Haverhill.....	SSA-OASI-DO.
Holyoke.....	SSA-OASI-DO.
Lawrence.....	SSA-OASI-DO.
Lowell.....	SSA-OASI-DO.
Lynn.....	SSA-OASI-DO.
Malden.....	SSA-OASI-DO.
New Bedford.....	SSA-OASI-DO.
Norwood.....	SSA-OASI-DO.
Pittsfield.....	SSA-OASI-DO.
Quincy.....	SSA-OASI-DO.
Roxbury.....	SSA-OASI-DO.
Salem.....	SSA-OASI-DO.
Springfield.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Taunton.....	PHS-CDC-A.
Waltham.....	SSA-OASI-DO.
Winchester.....	PHS-DRH.
Worcester.....	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

City	MICHIGAN	Title of office or activity
Ann Arbor	SSA-OASI-DO.	
Battle Creek	SSA-OASI-DO.	
Bay City	SSA-OASI-DO.	
Benton Harbor	SSA-OASI-DO.	
Dearborn	SSA-OASI-DO.	
Detroit	FDA-DO.	
Do	PHS-FQS.	
Do	PHS-HSP.	
Do	PHS-WSPC-A.	
Detroit, downtown	SSA-OASI-DO.	
Detroit, East	SSA-OASI-DO.	
Detroit, Highland Park	SSA-OASI-DO.	
Detroit, Northwest	SSA-OASI-DO.	
Detroit	SSA-OHA.	
East Lansing	PHS-NCI-A.	
Escanaba	SSA-OASI-DO.	
Flint	SSA-OASI-DO.	
Grand Rapids	SSA-OASI-DO.	
Grosse Isle	PHS-WSPC.	
Jackson	SSA-OASI-DO.	
Kalamazoo	SSA-OASI-DO.	
Lansing	SSA-OASI-DO.	
Marquette	SSA-OASI-DO.	
Mount Pleasant	SSA-OASI-DO.	
Muskegon	SSA-OASI-DO.	
Pontiac	SSA-OASI-DO.	
Port Huron	SSA-OASI-DO.	
Roseville	SSA-OASI-DO.	
Saginaw	SSA-OASI-DO.	
Traverse City	SSA-OASI-DO.	

MINNESOTA

Austin	SSA-OASI-DO.
Bemidji	PHS-IHFO.
Do	SSA-OASI-DO.
Cass Lake	PHS-IH.
Duluth	SSA-OASI-DO.
Hibbing	SSA-OASI-DO.
Mankato	SSA-OASI-DO.
Marshall	SSA-OASI-DO.
Minneapolis	FDA-DO.
Do	SSA-OASI-DO.
Do	SSA-OHA.
Red Lake	PHS-IH.
Rochester	SSA-OASI-DO.
St. Cloud	SSA-OASI-DO.
St. Paul	SSA-OASI-DO.
Winona	SSA-OASI-DO.
White Earth	PHS-IH.

MISSISSIPPI

Columbus	SSA-OASI-DO.
Greenville	SSA-OASI-DO.
Greenwood	SSA-OASI-DO.
Gulfport	SSA-OASI-DO.
Hattiesburg	SSA-OASI-DO.
Jackson	SSA-OASI-DO.
Do	SSA-OHA.
Meridian	SSA-OASI-DO.
Pascagoula	PHS-EEFP-VIS.
Philadelphia	PHS-IH.
Tupelo	SSA-OASI-DO.
Vicksburg	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

MISSOURI

<i>City</i>	<i>Title of office or activity</i>
Cape Girardeau.....	SSA-OASI-DO.
Columbia.....	PHS-DCD-A.
Clayton.....	SSA-OASI-DO.
Hannibal.....	SSA-OASI-DO.
Independence.....	SSA-OASI-DO.
Jefferson City.....	SSA-OASI-DO.
Joplin.....	SSA-OASI-DO.
Kansas City.....	FDA-DO.
Do.....	OS-RO.
Do.....	RO-A.
Do.....	RO-CB.
Do.....	RO-CD.
Do.....	RO-FCU.
Do.....	RO-FS.
Do.....	RO-OASI.
Do.....	RO-OED.
Do.....	RO-VRA.
Do.....	RO-PHS.
Do.....	RO-SP.
Do.....	PHS-DPR-A.
Do.....	SSA-OASI-DO.
Do.....	SSA-OASI-PC.
Do.....	SSA-OHA.
Moberly.....	SSA-OASI-DO.
Poplar Bluff.....	SSA-OASI-DO.
St. Joseph.....	SSA-OASI-DO.
St. Louis.....	FDA-DO.
Do.....	PHS-DAP.
Do.....	PHS-OC.
St. Louis (downtown).....	SSA-OASI-DO.
St. Louis (south).....	SSA-OASI-DO.
St. Louis.....	SSA-OHA.
Sedalia.....	SSA-OASI-DO.
Springfield.....	SSA-OASI-DO.

MONTANA

Billings.....	PHS-IHAO.
Do.....	SSA-OASI-DO.
Box Elder.....	PHS-IHC.
Browning.....	PHS-IH.
Butte.....	SSA-OASI-DO.
Crow Agency.....	PHS-IH.
Great Falls.....	SSA-OASI-DO.
Hamilton.....	PHS-NIAID-A.
Harlem.....	PHS-IH.
Helena.....	SSA-OASI-DO.
Lame Deer.....	PHS-IHC.
Missoula.....	SSA-OASI-DO.
Poplar.....	PHS-IHC.

NEBRASKA

Grand Island.....	SSA-OASI-DO.
Lincoln.....	SSA-OASI-DO.
Norfolk.....	SSA-OASI-DO.
North Platte.....	SSA-OASI-DO.
Omaha.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Scottsbluff.....	SSA-OASI-DO.
Winnebago.....	PHS-IH.

Regional and field offices (excluding resident stations), January 1963—Continued

City	NEVADA	Title of office or activity
Las Vegas.....	SSA-OASI-DO.	
Do.....	PHS-DRH.	
Owyhee.....	PHS-IH.	
Reno.....	SSA-OASI-DO.	
Schurz.....	PHS-IH.	
Stewart.....	PHS-ISHC.	

NEW HAMPSHIRE

Concord.....	SSA-OASI-DO.
Littleton.....	SSA-OASI-DO.
Manchester.....	SSA-OASI-DO.
Nashua.....	SSA-OASI-DO.
Portsmouth.....	SSA-OASI-DO.

NEW JERSEY

Asbury Park.....	SSA-OASI-DO.
Atlantic City.....	SSA-OASI-DO.
Bloomfield.....	SSA-OASI-DO.
Bridgeton.....	SSA-OASI-DO.
Camden.....	SSA-OASI-DO.
East Orange.....	SSA-OASI-DO.
Elizabeth.....	SSA-OASI-DO.
Hackensack.....	SSA-OASI-DO.
Irvington.....	SSA-OASI-DO.
Jersey City.....	SSA-OASI-DO.
Morristown.....	SSA-OASI-DO.
Newark.....	SSA-OHA.
Do.....	SSA-OASI-DO.
New Brunswick.....	SSA-OASI-DO.
Passaic.....	SSA-OASI-DO.
Paterson.....	SSA-OASI-DO.
Perty Amboy.....	SSA-OASI-DO.
Trenton.....	SSA-OASI-DO.

NEW MEXICO

Albuquerque.....	PHS-IHAO.
Do.....	PHS-IHFO.
Do.....	PHS-IH.
Do.....	PHS-IHC.
Do.....	SSA-OASI-DO.
Columbus.....	PHS-FQS.
Crownpoint.....	PHS-IH.
Dulce.....	PHS-IHC.
Gallup.....	PHS-IH.
Laguna.....	PHS-IHC.
Mescalero.....	PHS-IH.
Rosewell.....	SSA-OASI-DO.
Santa Fe.....	PHS-IH.
Do.....	SSA-OASI-DO.
Shiprock.....	PHS-IH.
Taos.....	PHS-IHC.
Tohatchi.....	PHS-IHC.
University Park.....	PHS-CDC-A.
Zuni.....	PHS-IH.

Regional and field offices (excluding resident stations), January 1963—Continued

<i>City</i>	<i>NEW YORK</i>	<i>Title of office or activity</i>
Albany	SSA-OASI-DO.	
Do	SSA-OHA.	
Auburn	SSA-OASI-DO.	
Batavia	SSA-OASI-DO.	
Binghamton	SSA-OASI-DO.	
Brooklyn	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Buffalo	FDA-DO.	
Do	PHS-WSPC.	
Do	SSA-OASI-DO.	
Do	SSA-OHA.	
Corning	SSA-OASI-DO.	
Elmira	SSA-OASI-DO.	
Flushing	SSA-OASI-DO.	
Freeport	SSA-OASI-DO.	
Geneva	SSA-OASI-DO.	
Glen Falls	SSA-OASI-DO.	
Gloversville	SSA-OASI-DO.	
Huntington	SSA-OASI-DO.	
Jackson Heights	SSA-OASI-DO.	
Jamaica	SSA-OHA.	
Do	SSA-OASI-DO.	
Jamestown	SSA-OASI-DO.	
Kenmore	SSA-OASI-DO.	
Kingston	SSA-OASI-DO.	
Mineola	SSA-OASI-DO.	
Newburgh	SSA-OASI-DO.	
New Rochelle	SSA-OASI-DO.	
New York	OS-RO.	
Do	RO-A.	
Do	RO-CB.	
Do	RO-CD.	
Do	RO-FCU.	
Do	RO-FS.	
Do	RO-OASI.	
Do	RO-OED.	
Do	RO-SSA-OHA.	
Do	RO-VRA.	
Do	RO-PHS.	
Do	RO-SP.	
Do	FDA-DO.	
Do	PHS-OC.	
Do	SSA-OASI-PC.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Do	SSA-OASI-DO.	
Niagara Falls	SSA-OASI-DO.	
Ogdensburg	SSA-OASI-DO.	
Olean	SSA-OASI-DO.	
Oneonta	SSA-OASI-DO.	
Oswego	SSA-OASI-DO.	
Patchogue	SSA-OASI-DO.	
Plattsburg	SSA-OASI-DO.	
Poughkeepsie	SSA-OASI-DO.	
Rochester	SSA-OASI-DO.	
Schenectady	SSA-OASI-DO.	

Regional and field offices (excluding resident stations), January 1963—Continued

NEW YORK—continued

City	Title of office or activity
Spring Valley	SSA-OASI-DO.
Staten Island	PHS-FQS.
Do	PHS-HSP.
Do	SSA-OASI-DO.
Syracuse	SSA-OASI-DO.
Troy	SSA-OASI-DO.
Utica	SSA-OASI-DO.
Watertown	SSA-OASI-DO.
White Plains	SSA-OASI-DO.
Yonkers	SSA-OASI-DO.

NORTH CAROLINA

Asheville	SSA-OASI-DO.
Chapel Hill	PHS, Dental.
Charlotte	SSA-OASI-DO.
Do	SSA-OHA.
Cherokee	PHS-IH.
Durham	PHS-NCI-A.
Do	SSA-OASI-DO.
Fayetteville	SSA-OASI-DO.
Gastonia	SSA-OASI-DO.
Goldsboro	SSA-OASI-DO.
Greensboro	SSA-OASI-DO.
Greenville	SSA-OASI-DO.
Hickory	SSA-OASI-DO.
High Point	SSA-OASI-DO.
New Bern	SSA-OASI-DO.
Raleigh	SSA-OASI-DO.
Do	SSA-OHA.
Roanoke	SSA-OHA.
Rocky Mount	SSA-OASI-DO.
Salisbury	SSA-OASI-DO.
Wilmington	SSA-OASI-DO.
Winston-Salem	PH-NCI-A.
Do	SSA-OASI-DO.

NORTH DAKOTA

Belcourt	PHS-IH.
Bismarck	SSA-OASI-DO.
Fargo	SSA-OASI-DO.
Fort Totten	PHS-IHC.
Fort Yates	PHS-IH.
Grand Forks	SSA-OASI-DO.
Minot	SSA-OASI-DO.
Wahpeton	PHS-ISHC.

OHIO

Akron	SSA-OASI-DO.
Ashtabula	SSA-OASI-DO.
Canton	SSA-OASI-DO.
Chillicothe	SSA-OASI-DO.
Cincinnati	FDA-DO.
Do	PHS-BSS(EC)-OC-SEC.
Do	PHS-DAP-SEC.
Do	PHS-DAP-SEC.
Do	PHS-DAP-SEC.
Do	PHS-DAP-SEC.
Do	PHS-DOH.
Do	PHS-DRH-SEC.
Do	PHS-EEEP-SEC.
Do	PHS-OC.
Do	PHS-WSPC-SEC.

Regional and field offices (excluding resident stations), January 1963—Continued

OHIO—continued

<i>City</i>	<i>Title of office or activity</i>
Cincinnati, downtown.....	SSA-OASI-DO.
Cincinnati, north.....	SSA-OASI-DO.
Cincinnati.....	SSA-OHA.
Cleveland.....	PHS-OC.
Do.....	PHS-WSPC.
Do.....	RO-OASI.
Cleveland, downtown.....	SSA-OASI-DO.
Cleveland, east.....	SSA-OASI-DO.
Cleveland, west.....	SSA-OASI-DO.
Cleveland.....	SSA-OHA.
Columbus.....	PHS-NCI-A.
Do.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Dayton.....	SSA-OASI-DO.
Defiance.....	SSA-OASI-DO.
East Liverpool.....	SSA-OASI-DO.
Findlay.....	SSA-OASI-DO.
Hamilton.....	SSA-OASI-DO.
Lima.....	SSA-OASI-DO.
Lorain.....	SSA-OASI-DO.
Mansfield.....	SSA-OASI-DO.
Marietta.....	SSA-OASI-DO.
Marion.....	SSA-OASI-DO.
Newark.....	SSA-OASI-DO.
New Philadelphia.....	SSA-OASI-DO.
Portsmouth.....	SSA-OASI-DO.
Piqua.....	SSA-OASI-DO.
Sandusky.....	SSA-OASI-DO.
Springfield.....	SSA-OASI-DO.
Steubenville.....	SSA-OASI-DO.
Toledo.....	SSA-OASI-DO.
Warren.....	SSA-OASI-DO.
Youngstown.....	SSA-OASI-DO.
Zanesville.....	SSA-OASI-DO.

OKLAHOMA

Ada.....	PHS-WSPC.
Anadarko.....	PHS-IHC.
Ardmore.....	SSA-OASI-DO.
Chilocco.....	PHS-ISHC.
Claremore.....	PHS-IH.
Clinton.....	PHS-IH.
Concho.....	PHS-ISHC.
Enid.....	SSA-OASI-DO.
Hartshorne.....	PHS-ISHC.
Lawton.....	PHS-IH.
Do.....	SSA-OASI-DO.
McAlester.....	SSA-OASI-DO.
Muskogee.....	SSA-OASI-DO.
Oklahoma City.....	PHS-IHAO.
Do.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Pawnee.....	PHS-IH.
Shawnee.....	PHS-IHC.
Tahlequah.....	PHS-IH.
Do.....	PHS-ISHC.
Talihina.....	PHS-IH.
Tulsa.....	SSA-OASI-DO.
Wyandotte.....	PHS-ISHC.

Regional and field offices (excluding resident stations), January 1963—Continued

City	OREGON	Title of office or activity
Chemawa		PHS-IHC.
Corvallis		PHS-WSPC.
Eugene		SSA-OASI-DO.
Klamath Falls		SSA-OASI-DO.
La Grande		SSA-OASI-DO.
Medford		SSA-OASI-DO.
Portland		PHS-FQS.
Do.		PHS-IHAO.
Do.		PHS-OC.
Do.		SSA-OASI-DO.
Do.		SSA-OHA.
Salem		SSA-OASI-DO.
Warm Springs		PHS-IHC.

PENNSYLVANIA

Allentown	SSA-OASI-DO.
Altoona	SSA-OASI-DO.
Ambridge	SSA-OASI-DO.
Bristol	SSA-OASI-DO.
Butler	SSA-OASI-DO.
Chambersburg	SSA-OASI-DO.
Chester	SSA-OASI-DO.
DuBois	SSA-OASI-DO.
Easton	SSA-OASI-DO.
Erie	SSA-OASI-DO.
Farrell	SSA-OASI-DO.
Greensburg	SSA-OASI-DO.
Harrisburg	PHS-WSPC.
Do.	SSA-OASI-DO.
Hazleton	SSA-OASI-DO.
Indiana	SSA-OASI-DO.
Johnstown	SSA-OASI-DO.
Lancaster	SSA-OASI-DO.
Marcus Hook	PHS-FQS.
McKeesport	SSA-OASI-DO.
New Castle	SSA-OASI-DO.
New Kensington	SSA-OASI-DO.
Norristown	SSA-OASI-DO.
Oil City	SSA-OASI-DO.
Philadelphia	FDA-DO.
Do.	PHS-WSPC.
Do.	PHS-OC.
Do.	SSA-OHA.
Do.	SSA-OASI-PC.
Do.	SSA-OASI-DO.
Do.	SSA-OASI-DO.
Do.	SSA-OASI-DO.
Do.	SSA-OASI-DO.
Pittsburgh	SSA-OHA.
Do.	SSA-OASI-DO.
Do.	SSA-OASI-DO.
Pottsville	SSA-OASI-DO.
Reading	SSA-OASI-DO.
Scranton	SSA-OASI-DO.
Sharon	SSA-OASI-DO.
State College	SSA-OASI-DO.
Sunbury	SSA-OASI-DO.
Uniontown	SSA-OASI-DO.
Washington	SSA-OASI-DO.
West Chester	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

PENNSYLVANIA—continued

<i>City</i>	<i>Title of office or activity</i>
Wilkes-Barre.....	SSA-OASI-DO-PS.
Do.....	SSA-OASI-DO.
Williamsport.....	SSA-OASI-DO.
York.....	SSA-OASI-DO.

PUERTO RICO

Arecibo.....	SSA-OASI-DO.
Caguas.....	SSA-OASI-DO.
Mayaguez.....	SSA-OASI-DO.
Ponce.....	SSA-OASI-DO.
Rio Piedras.....	PHS-CDC-A.
San Juan.....	FDA-RIS.
Do.....	SSA-OASI-DO.
Do.....	PHS-CDC-A.
Do.....	PHS-OC.
Do.....	PHS-FQS.
Do.....	PHS-NINDB-A.
Santurce.....	SSA-OHA.

RHODE ISLAND

Kingston.....	PHS-EEFP-SSRC.
Pawtucket.....	SSA-OASI-DO.
Providence.....	SSA-OASI-DO.
Woonsocket.....	SSA-OASI-DO.

SOUTH CAROLINA

Anderson.....	SSA-OASI-DO.
Charleston.....	SSA-OASI-DO.
Do.....	PHS-OC.
Do.....	PHS-FQS.
Columbia.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Do.....	PHS-NIAID-A.
Florence.....	SSA-OASI-DO.
Greenville.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Greenwood.....	SSA-OASI-DO.
Rock Hill.....	SSA-OASI-DO.
Spartanburg.....	SSA-OASI-DO.

SOUTH DAKOTA

Aberdeen.....	PHS-IHAO.
Do.....	SSA-OASI-DO.
Britton.....	PHS-DPR-A.
Eagle Butte.....	PHS-IH.
Flandreau.....	PHS-ISHC.
Huron.....	SSA-OASI-DO.
Pierre.....	PHS-ISHC.
Pine Ridge.....	PHS-IH.
Rapid City.....	PHS-IH.
Do.....	SSA-OASI-DO.
Rosebud.....	PHS-IH.
Sioux Falls.....	SSA-OASI-DO.
Sisseton.....	PHS-IH.
Wagner.....	PHS-IH.

Regional and field offices (excluding resident stations), January 1963—Continued

TENNESSEE	
<i>City</i>	<i>Title of office or activity</i>
Chattanooga-----	SSA-OHA.
Do-----	SSA-OASI-DO.
Columbia-----	SSA-OASI-DO.
Cookeville-----	SSA-OASI-DO.
Dyersburg-----	SSA-OASI-DO.
Jackson-----	SSA-OASI-DO.
Johnson City-----	SSA-OASI-DO.
Knoxville-----	PHS-DPR-A.
Do-----	SSA-OASI-DO.
Do-----	SSA-OHA.
Memphis-----	PHS-DCD-A.
Do-----	PHS-HSP.
Do-----	SSA-OASI-DO.
Nashville-----	SSA-OASI-DO.
Do-----	SSA-OHA.

TEXAS

Abilene-----	SSA-OASI-DO.
Amarillo-----	SSA-OASI-DO.
Austin-----	SSA-OASI-DO.
Bartlett-----	PHS-DPR-A.
Beaumont-----	SSA-OASI-DO.
Big Spring-----	SSA-OASI-DO.
Brownsville-----	SSA-OASI-DO.
Do-----	PHS-FQS.
Bryan-----	SSA-OASI-DO.
Corpus Christi-----	SSA-OASI-DO.
Dallas-----	FDA-DO.
Do-----	OS-RO.
Do-----	RO-A.
Do-----	RO-CB.
Do-----	RO-CD.
Do-----	RO-FCU.
Do-----	RO-OASI.
Do-----	RO-SSA-OHA.
Do-----	RO-OED.
Do-----	RO-VRA.
Do-----	RO-FS.
Do-----	RO-PHS.
Do-----	RO-SP.
Do-----	PHS-WSPC.
Do-----	PHS-FQS.
Do-----	SSA-OASI-DO.
Del Rio-----	PHS-FQS.
Eagle Pass-----	PHS-FQS.
El Paso-----	SSA-OASI-DO.
Do-----	PHS-FQS.
Falcon Dam-----	PHS-FQS.
Fort Worth-----	SSA-OASI-DO.
Do-----	PHS-HSP.
Galveston-----	SSA-OASI-DO.
Do-----	PHS-HSP.
Do-----	PHS-FQS.
Hidalgo-----	PHS-FQS.
Houston-----	SSA-OASI-DO.
Do-----	PHS-OC.
Do-----	PHS-FQS.
Do-----	SSA-OHA.
Laredo-----	SSA-OASI-DO.
Do-----	PHS-FQS.
Longview-----	SSA-OASI-DO.
Lubbock-----	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

TEXAS—continued

<i>City</i>	<i>Title of office or activity</i>
Lufkin.....	SSA-OASI-DO.
McAllen.....	SSA-OASI-DO.
Odessa.....	SSA-OASI-DO.
Paris.....	SSA-OASI-DO.
Port Arthur.....	PHS-FQS.
Do.....	PHS-OC.
Do.....	SSA-OASI-DO.
Presidio.....	PHS-FQS.
Progreso.....	PHS-FQS.
Roma.....	PHS-FQS.
San Angelo.....	SSA-OASI-DO.
San Antonio.....	SSA-OASI-DO.
Do.....	SSA-OHA.
Do.....	PHS-FQS.
Sherman.....	SSA-OASI-DO.
Temple.....	SSA-OASI-DO.
Texarkana.....	SSA-OASI-DO.
Tyler.....	SSA-OASI-DO.
Victoria.....	SSA-OASI-DO.
Waco.....	SSA-OASI-DO.
Wichita Falls.....	SSA-OASI-DO.

UTAH

Brigham City.....	PHS-ISHC.
Fort Duchesne.....	PHS-IHC.
Ogden.....	SSA-OASI-DO.
Provo.....	SSA-OASI-DO.
Salt Lake City.....	PHS-DOH.
Do.....	PHS-WSPC.
Do.....	SSA-OASI-DO.

VERMONT

Burlington.....	SSA-OASI-DO.
Montpelier.....	SSA-OASI-DO.
Rutland.....	SSA-OASI-DO.

VIRGINIA

Alexandria.....	SSA-OASI-DO.
Bristol.....	SSA-OASI-DO.
Charlottesville.....	PHS-WSPC.
Do.....	OS-RO.
Do.....	RO-A.
Do.....	RO-CB.
Do.....	RO-CD.
Do.....	RO-FCU.
Do.....	RO-OASI.
Do.....	RO-OED.
Do.....	RO-VRA.
Do.....	RO-FS.
Do.....	RO-PHS.
Do.....	RO-SSA-OHA.
Do.....	RO-SP.
Do.....	SSA-OHA.
Do.....	SSA-OASI-DO.
Covington.....	SSA-OASI-DO.
Danville.....	SSA-OASI-DO.
Fort Monroe.....	PHS-FQS.
Lynchburg.....	SSA-OASI-DO.
Newport News.....	PHS-EEFP-VIS.
Newport News.....	SSA-OASI-DO.
Norfolk.....	PHS-HSP.
Do.....	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

VIRGINIA—continued

<i>City</i>	<i>Title of office or activity</i>
Petersburg-----	SSA-OASI-DO.
Richmond-----	SSA-OASI-DO.
Roanoke-----	SSA-OASI-DO.
Do-----	SSA-OHA.
Staunton-----	SSA-OASI-DO.
Winchester-----	SSA-OASI-DO.

VIRGIN ISLANDS

Rock Springs-----	PHS-OC.
Charlotte Amalie-----	PHS-FQS.

WASHINGTON

Do-----	SSA-OASI-DO.
Aberdeen-----	SSA-OASI-DO.
Bellingham-----	SSA-OASI-DO.
Bremerton-----	SSA-OASI-DO.
Everett-----	PHS-EEFR-SSRL.
Gig Harbor-----	PHS-IH.
Nespelem-----	SSA-OASI-DO.
Olympia-----	FDA-DO.
Seattle-----	PHS-FQS.
Do-----	PHS-HSP.
Do-----	RO-OED.
Do-----	SSA-OHA.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Spokane-----	SSA-OASI-DO.
Tacoma-----	PHS-IHC.
Toppenish-----	SSA-OASI-DO.
Vancouver-----	SSA-OASI-DO.
Walla Walla-----	PHS-CDC-A.
Wenatchee-----	PHS-CDC-A.
Do-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.

WEST VIRGINIA

Yakima-----	SSA-OASI-DO.
Beckley-----	SSA-OASI-DO.
Bluefield-----	SSA-OHA.
Charleston-----	SSA-OASI-DO.
Do-----	SSA-OASI-DO.
Clarksburg-----	SSA-OASI-DO.
Huntington-----	SSA-OHA.
Do-----	SSA-OASI-DO.
Logan-----	SSA-OASI-DO.
Morgantown-----	SSA-OASI-DO.
Parkersburg-----	SSA-OASI-DO.
Welch-----	SSA-OASI-DO.
Wheeling-----	PHS-WSPC.

WISCONSIN

Do-----	SSA-OASI-DO.
Appleton-----	SSA-OASI-DO.
Eau Claire-----	SSA-OASI-DO.
Fond du Lac-----	SSA-OASI-DO.
Green Bay-----	SSA-OASI-DO.
Janesville-----	SSA-OASI-DO.
Kenosha-----	SSA-OASI-DO.
LaCrosse-----	SSA-OASI-DO.
Madison-----	SSA-OASI-DO.
Milwaukee (downtown)-----	SSA-OASI-DO.

Regional and field offices (excluding resident stations), January 1963—Continued

WISCONSIN—continued

<i>City</i>	<i>Title of office or activity</i>
Milwaukee-----	SSA-OHA.
Do-----	SSA-OASI-DO.
Oshkosh-----	SSA-OASI-DO.
Racine-----	SSA-OASI-DO.
Sheboygan-----	SSA-OASI-DO.
Superior-----	SSA-OASI-DO.
Waukesha-----	SSA-OASI-DO.
Wausau-----	SSA-OASI-DO.

WYOMING

Casper-----	SSA-OASI-DO.
Cheyenne-----	PHS-IHC.
Fort Washakie-----	SSA-OASI-DO.

LEGEND

<i>Organizational code symbols</i>	<i>Organization and type of office or activity</i>
OS-----	Office of the Secretary.
BRO-----	Branch Regional Office.
CD-----	Civil Defense.
RO-----	Regional Office.
SP-----	Surplus Property Utilization.
FAC-----	Federally Aided Corporations.
APH-----	American Printing House for the Blind.
GC-----	Gallaudet College.
HU-----	Howard University.
FDA-----	Food and Drug Administration.
DO-----	District Office.
FH-----	Freedman's Hospital
OED-----	Office of Education.
VRA-----	Vocational Rehabilitation Administration.
PHS ¹ -----	Public Health Service.
ACP-----	Division of Accident Prevention.
AHRC-----	Arctic Health Research Center.
ANH-----	Alaska Native Hospital.
ANHAO-----	Alaska Native Health Area Office.
ANHC-----	Alaska Native Health Center.
ANSHC-----	Alaska Native School Health Center.
ANHFO-----	Alaska Native Health Field Office.
BSS-(EH)-OC-SEC-----	Bureau of State Services (Environmental Health) Office of the Chief-Sanitary Engineering Center.
CDC-----	Communicable Disease Center.
CHS-----	Division of Community Health Services.
DAP-----	Division of Air Pollution.
DAP-SEC-----	Division of Air Pollution-Sanitary Engineering Center.
DCD-----	Division of Chronic Diseases.
DN-----	Division of Nursing.
DN-NRFC-----	Division of Nursing-Nursing Research Field Center.
DOH-----	Division of Occupational Health.
DOH-RTF-----	Division of Occupational Health-Research Training Facility.
DPR-----	Division of Dental Public Health and Resources.
DRH-----	Division of Radiological Health.
DRH-SEC-----	Division of Radiological Health-Sanitary Engineering Center.
EEFP-----	Division of Environmental Engineering and Food Protection.

¹The suffix "A" when attached to PHS organizational subdivision symbols designates field units primarily established to carry out special research or operational tasks such as laboratories, research or experimental clinics and projects, demonstration units, and training centers.

Regional and field offices (excluding resident stations), January 1963—Continued

Organizational code symbols	Organization and type of office or activity
PHS—Continued	Public Health Service—Continued
EEFP-SEC-----	Division of Environmental Engineering and Food Protection-Sanitary Engineering Center.
EEFP-VIS-----	Division of Environmental Engineering and Food Protection-Vessel Inspection Station.
EEFP-SSRC-----	Division of Environmental Engineering and Food Protection-Shellfish Sanitation Research Center.
EEFP-SSRL-----	Division of Environmental Engineering and Food Protection-Shellfish Sanitation Research Laboratory.
FQS-----	Foreign Quarantine Station.
HMF-----	Division of Hospitals and Medical Facilities.
HSP-----	U.S. PHS Hospital.
IH-----	Indian Hospital.
IHAO-----	Indian Health Area Office.
IHC-----	Indian Health Center.
IHFO-----	Indian Health Field Office.
IHS-----	Indian Health Station.
ISHC-----	Indian School Health Center.
MSD-----	Medical Supply Depot.
NCI-----	National Cancer Institute.
NHI-----	National Heart Institute.
NIAMD-----	National Institute of Allergy and Infectious Diseases.
NIAMD-----	National Institute of Arthritis and Metabolic Diseases.
NICHHD-----	National Institute of Child Health and Human Development.
NIGMS-----	National Institute of General Medical Sciences.
NIDR-----	National Institute of Dental Research.
NIH-----	National Institutes of Health.
NIH-CC-----	National Institutes of Health—Clinical Center.
NIH-DBS-----	National Institutes of Health-Division of Biologics Standards.
NIH-DRFR-----	National Institutes of Health-Division of Research Facilities and Resources.
NIH-DRG-----	National Institutes of Health-Division of Research Grants.
NIH-DRS-----	National Institutes of Health-Division of Research Services.
NIMH-----	National Institutes of Mental Health.
NINDB-----	National Institute of Neurological Diseases and Blindness.
NLM-----	National Library of Medicine.
OC-----	U.S. PHS Outpatient Clinic.
WSPC-----	Division of Water Supply and Pollution Control.
WSPC-SEC-----	Division of Water Supply and Pollution Control-Sanitary Engineering Center.
St. E-----	St. Elizabeths Hospital.
SSA-----	Social Security Administration.
OASI-----	Old-Age and Survivors Insurance, Bureau of.
OASI-DAO-PS-----	Old-Age and Survivors Insurance-Division of Accounting Operations-Punching Section
OASI-DO-----	Old-Age and Survivors Insurance-District Office.
OASI-PC-----	Old-Age and Survivors Insurance-Payment Center.
OHA-----	Office of Hearings and Appeals.
FCU-----	Federal Credit Unions, Bureau of.

Regional and field offices (excluding resident stations), January 1963—Continued

Organizational code symbols	Organization and type of office or activity
WA-----	Welfare Administration
CB-----	Children's Bureau.
FS-----	Family Services, Bureau of.
A-----	Office of Aging.

GRANTS FOR JUVENILE DELINQUENCY AND YOUTH OFFENSES

Mr. LAIRD. The chairman of the committee yesterday asked about some of the grants that had been made out of the funds available for—I guess the correct title of the appropriation is Juvenile delinquency and youth offenses.

It was stated at that time, that there had been 30 training grants already approved and in operation under that appropriation.

I would like to have a list of those grants, where they are, and the amount of each.

Mr. CELEBREZZE. We will be glad to supply that.

(The information follows:)

TRAINING GRANTS MADE UNDER JUVENILE DELINQUENCY AND YOUTH OFFENSES CONTROL ACT OF 1961

Since September 1962 when funds were made available to implement the Juvenile Delinquency and Youth Offenses Control Act of 1961, 30 training grants have been awarded. During fiscal year 1962, the grants covered full costs for the entire period of operation for each project, up to a maximum of 3 years. The grants made during fiscal 1963 provide for the first year of operation only.

Recipient	Amount of grant	
	Fiscal year 1962	Fiscal year 1963
A. Training centers:		
1. Southern Illinois University, Carbondale, Ill.-----	\$182,181	-----
2. University of Utah, Salt Lake City, Utah-----	150,000	-----
3. University of North Carolina, Chapel Hill, N.C.-----	153,744	-----
4. University of Washington, Seattle, Wash.-----	112,488	-----
5. Wayne State University, Detroit, Mich.-----	152,201	-----
6. Western Reserve University, Cleveland, Ohio-----	151,500	-----
B. Curriculum development:		
1. Hunter College, New York City-----	109,200	-----
2. New York University, New York City-----	7,465	-----
3. Washington State University, Pullman, Wash.-----	40,423	-----
4. Harvard University, Cambridge, Mass.-----	68,892	-----
5. University of Michigan, Ann Arbor, Mich.-----	200,014	-----
6. University of California Law Center, Berkeley, Calif.-----	140,000	-----
7. International Association of Chiefs of Police, Washington, D.C.-----	50,000	-----
8. Citizens Committee for Children of New York-----	15,125	-----
9. University of Chicago, Chicago, Ill.-----	90,000	-----
10. University of Southern California Youth Studies Center, Los Angeles, Calif.-----	125,000	-----
11. University of California School of Criminology, Los Angeles, Calif.-----	75,000	-----
12. Associated Community Teams, Inc. (Harlem), New York City-----	-----	\$250,000
13. Briham Young University, Provo, Utah-----	-----	29,845
14. Philadelphia Psychiatric Center, Philadelphia, Pa.-----	-----	39,268
C. Short-term workshops:		
1. Hunter College, New York City-----	66,940	-----
2. St. Louis University, St. Louis, Mo.-----	84,975	-----
3. National Council on Crime and Delinquency, New York City-----	80,470	-----
4. Civic Center Clinic, Brooklyn, N.Y.-----	800	-----
5. Brooklyn Probation Department, Brooklyn, N.Y.-----	12,135	-----
6. Washington State Department of Institutions, Olympia, Wash.-----	5,616	-----
7. National Federation of Settlements, Chicago, Ill.-----	36,990	-----
8. Hawthorne Cedar Knolls School, Hawthorne, N.Y.-----	12,074	-----
9. Youth Research, Inc., Albany, N.Y.-----	-----	54,880
10. Ohio Legal Center, Columbus, Ohio-----	-----	29,268
Total -----	2,123,233	403,261

FOOD AND DRUG DISTRICT LABS

Mr. LAIRD. It was also stated, earlier in the testimony, that there would be some new Food and Drug district laboratories established by this budget. I would like to have the location of each of those laboratories.

Mr. KELLY. We are not creating new locations for the Food and Drug Administration to do business.

We are creating a new facility for them to do business in.

Mr. LAIRD. New laboratories?

Mr. KELLY. New laboratories, yes.

Mr. LAIRD. But I wanted the location of those new laboratories.

Mr. KELLY. Yes. I just wanted to make it clear, we are not creating a new district for this; we are merely putting the existing district into new facilities.

Mr. LAIRD. I understand that. I understood they were new laboratories.

Mr. KELLY. Yes, they are.

Mr. LAIRD. I wanted to know in which offices they were going to be located.

Mr. KELLY. Yes.

(The information follows:)

The 1964 budget requests planning funds for seven Food and Drug Administration district office facilities (Chicago, Denver, New Orleans, Seattle, Philadelphia, St. Louis, San Francisco) and construction funds for four of the seven (Chicago, Denver, New Orleans, Seattle). These 7 are the last of the 18 Food and Drug Administration district offices remaining to be modernized and enlarged under a program begun in 1957.

ACCURACY OF EDUCATION STATISTICS

Mr. LAIRD. Mr. Secretary, you have recently had a new Commissioner of Education.

Secretary CELEBREZZE. Yes.

Mr. LAIRD. Last year, when the Commissioner was before this committee, I talked with him at some length about the question of educational statistics, which I think the Office of Education has done a poor job on.

You may disagree with me, but certainly, when we go into the area of classroom shortages, we find that the figures of the Office of Education are subject to serious criticism. We find that in the fall of 1959, that the classroom shortage was stated to be 132,400; during the year 62,700 classrooms were scheduled but 69,700 classrooms were actually built.

Secretary CELEBREZZE. You are placing a different interpretation on the figures. What we say is that there was that shortage. If these other classrooms had not been built, we would have had a greater shortage, if we were not cutting into the deficiency. If you are 100,000 classrooms short, and you need 150,000 classrooms, and you still build only 50,000, your deficiency is still 100,000.

Well, last year, on the classroom figures, we only cut into the deficiency by about 6,000 classrooms. That's why I think there is a misunderstanding about our figures and the reasons why we are not cutting rapidly enough into the deficiency of classrooms.

You can build 50,000 more classrooms, but if the 50,000 additional classrooms are needed just to take care of the increased enrollments and are not taking care of the overcrowded classrooms, you have not cut into your deficiency.

Mr. LAIRD. Well, Mr. Secretary, I don't want to go over all the details again. I have been over it last year with the Office of Education, and I just felt that your figures were subject to some question.

Secretary CELEBREZZE. Let me say this, that I think I read the same Congressional Record that you did. When I read it, I sent it over to the Commissioner of Education, and asked him to give me a memorandum on it. On the basis of that memorandum, I am giving you the figures that I have here.

The new classrooms do not cut into the deficiency of classrooms.

Mr. LAIRD. My point, Mr. Secretary, is that the statistics of the Office of Education have been subject to serious question by educators. This is not just a question that I raised about it; but we have had educators throughout the years, raising serious questions about these figures. We don't have that problem in the Bureau of Labor Statistics. We have not had that criticism of their figures.

Secretary CELEBREZZE. You don't have as many educators in the Bureau of Labor Statistics.

Mr. LAIRD. That is the point. I believe that we have to get some people that have the training that the Bureau of Census and the BLS have, into the Office of Education.

Secretary CELEBREZZE. These figures are based on memorandums and questionnaires which the Office of Education sends out to the school districts on the local level and to the States. They fill in the information, and it is on those reports that we base our statistics.

Mr. LAIRD. That is not the way BLS would do it. That is my point, Mr. Secretary. I am glad you made it for me, because most of these figures are all based upon questionnaires that are sent out.

Now, the Bureau of the Census does not operate that way, and the Bureau of Labor Statistics does not operate that way.

Secretary CELEBREZZE. I think you can find some deficiencies in the Bureau of Census and in the BLS, as I quickly found them, when they counted the number of people in the city of Cleveland last time. There were a great many other mayors who found them.

Mr. LAIRD. My point is only this: I don't want to press this issue with you; I can see you disagree. You feel that the statistical service in the Office of Education is all right.

Secretary CELEBREZZE. No, no. I did not say that. I am merely trying to respond to your implication that our figures were wrong when we said we had a classroom shortage of—the figure used was 132,000.

Mr. LAIRD. I think you are wrong because your figures are based on improper sampling methods.

Mr. COHEN. Let me say this, Mr. Laird: After the discussion last year, I met with the Commissioner, and we did appoint an advisory committee to clear it up. Some of the points that educators and you are making against the validity of these figures do have merit. It is not a consistent set of figures.

Mr. LAIRD. That is my point.

Mr. COHEN. We appointed a very outstanding group of statisticians, including people that had information on statistical methodology as

well as educators, and I met with them about 3 months ago, to go into this whole question. This series that you are talking about, of course, is a continuation of a very old series that has been conducted by the Office of Education for some time.

Mr. LAIRD. I know how you arrived at it.

Mr. COHEN. We arrived at it simply by asking the State and local people to fill in the blanks as to what they think this shortage is.

Mr. LAIRD. If you ask Dr. Clague over at BLS whether this is a good method, he will tell you it is not.

Mr. COHEN. Yes, sir. I talked with Dr. Clague.

Mr. LAIRD. Doesn't he feel that you have to have a better method?

Mr. COHEN. Yes. What it means is that we will have to define, just as they do in BLS, exactly what is meant by a classroom shortage or an uncertified teacher, or a building that was constructed or whatever it is, and then here is the problem—make the 30,000 school districts in the United States, or the sample that you pick from them, which is probably more appropriate—

Mr. LAIRD. You can have a sample. You don't have to go to every one of the school districts.

Mr. COHEN. I think you are absolutely correct; you could probably do this by sampling, I would say a thousand school districts, maybe, or certainly a small number. But it means that in order for the Federal Government to do this, these school districts have to keep their figures on what is the standardized comparable basis. Otherwise, you cannot do it.

Now, what we are trying to do—and it is not easy—is to find out what that standardized base is; the selection of the sample; and how to develop a series that will replace the present series. Also, in a sense, you have a statistical problem of overlapping the two series, so that you know what the difference will be, because you have a time series here.

Mr. LAIRD. I am glad to hear you are making progress.

Mr. COHEN. We have started on this. I think it is going to take some time. I also think you will have to find that the statistical service of the Office of Education will have to be substantially developed in order to meet this kind of responsibility. That is my opinion.

Mr. LAIRD. In my opinion, it is not qualified to do it now.

Mr. COHEN. It is not as prepared as Dr. Clague's office has been over these many years; it is not as prepared to have the statistical methodology and acceptance on the part of the school districts to do this particular job.

Mr. KELLY. I do think that we have the same definite interest that you have. We would like to see the Office of Education gain the kind of reputation as it relates to education that BLS has gained in the field of statistics, because this is the kind of a statistical center that should exist in our Department. We think it is going to be a hard row to hoe.

Mr. LAIRD. One of the most important jobs—perhaps the most important—that the Office of Education can render is to disseminate timely and accurate educational statistics.

Mr. COHEN. May I make a little appeal now? My office has the responsibility, at least in name, of reviewing all of these statistical series. For all of the units in the Department, I have one person—

just one man—who spends full time on the whole statistical series of the Office of Education, all of the Public Health Service, and all of the Social Security Administration to do this kind of independent review. That is why the Secretary made a plea, when he was talking the other day about these people in the Secretary's office who ride herd on some projects when we find a deficiency. I must say in all honesty, Mr. LAIRD, there is not the manpower in the Secretary's office to carry out that function, which I think you have a real right to expect from us in the Secretary's office.

Secretary CELEBREZZE. We have asked for the additional personnel in this budget.

Mr. KELLY. The Office of Education, as a statistical organization, is supposed to be screened.

Mr. COHEN. I again repeat, unless you give the Office of the Secretary some kind of manpower to undertake these kinds of responsibilities, when the committee here and the people on the outside say the statistical series and the job isn't being done competently, I cannot carry out the responsibility that really the committee expects us to undertake.

ABSORPTION OF PAY INCREASE

Mr. LAIRD. In this year's budget, your Department, Mr. Secretary, is trying to absorb part of the Pay Act increase and I believe you informed the chairman that the total amount of the absorption was in the area of—two-thirds, was it?

Mr. KELLY. Fifty-nine percent appropriated funds; 40 percent altogether.

Secretary CELEBREZZE. Of course, some agencies do not assume any absorption.

Mr. LAIRD. Well, this is a better record than the Department of Labor. The Department of Labor, we found——

Mr. COHEN. It had practically no absorption.

Mr. LAIRD. And so you have carried out the intentions of the President, when he said the absorption of a large part of last year's Federal pay increase will be made through better utilization of personnel and other economies.

Secretary CELEBREZZE. Yes.

IMPLEMENTATION OF KERR-MILLS BILL

Mr. LAIRD. Mr. Secretary, there have been quite a few newspaper stories throughout the country like the one I have here from the Washington News: "HEW is blocking Kerr-Mills plan for the aged."

I have a Washington Post story; several Chicago papers—generally from all over the country—indicating that the Department of Health, Education, and Welfare, is blocking the implementation of the legislation sponsored by Senator Kerr and Congressman Mills, which is commonly referred to as the Kerr-Mills program.

What is the Department doing with regard to implementing this program?

Secretary CELEBREZZE. I think there has been sort of a false air created that the Department of Health, Education, and Welfare is

trying to sabotage the Kerr-Mills bill. It is one of the matters which was first called to my attention when I went in as Secretary. I met the staff, I think it is false.

Even I have requested help; for example, there is a new Governor in the State of Ohio. We could not get the Kerr-Mills program through the State legislature, which we were vitally interested in doing, because I think it would have helped on our costs in the city of Cleveland, Ohio. I talked with the Governor soon after he was elected and asked him about it, and he said he would certainly recommend it to the legislature.

Every speech that I have made, I have talked about the Kerr-Mills program and the need for the Kerr-Mills bill, because it means a tremendous help to the local community.

I talked to Governor Brown when he was in town last week about adopting part of the Kerr-Mills bill.

So I think that it is not fair to the Department to say we are not supporting it.

Mr. LAIRD. What is the basis for that?

Secretary CELEBREZZE. Now, there are about 25 States in the country which have adopted Kerr-Mills; or 28 States, now, I notice, which have adopted Kerr-Mills, which is an increase, I understand, since I took office.

However, the difficulty with many of these States is—I will say, Ohio, for example, under the last legislature, came to Washington; I sat down with the staff and tried to interest them but there just wasn't interest in the Kerr-Mills program, even though the large cities were trying to get it approved. I am hopeful that the State of Ohio will adopt it this year. There was a little prodding, not only from myself, but from some of the other welfare people that I know.

So that one of your difficulties, too, has been that these are programs which must be passed by State legislatures. In many of your States, the State legislatures meet 5 or 6 months over a 2-year period. Once they are out of session, you have lost another year and a half in trying to get the program implemented. We are trying now to push it as hard as we can, basically because State legislatures are actually in session during this period.

There has been an increase in the number of people receiving benefits. Aid under the Kerr-Mills program has increased sharply. Unfortunately, most of the recipients are in the larger States. I think the greatest jump has been in three States, as I recall the figure.

STATES RECEIVING KERR-MILLS FUNDS

Mr. COHEN. The three largest States receive about 75 percent of the total money in the Kerr-Mills program.

Secretary CELEBREZZE. Yes.

Mr. COHEN. The four largest States receive about 88 percent of the money spent.

Mr. LAIRD. Can you furnish, at this point, the amount of money going in each State under the Kerr-Mills program?

Secretary CELEBREZZE. Yes, I can furnish that.

(The statement follows:)

Medical assistance for the aged—Federal share of State expenditures, actual for 1962 and estimated for fiscal years 1963 and 1964

State	1962	1963	1964
Alabama.....	\$107,039	\$403,000	\$815,000
Arkansas.....	324,354	802,000	1,360,000
California.....	9,681,340	32,676,000	44,999,000
Colorado.....			1,859,000
Connecticut.....	441,496	6,189,000	8,150,000
District of Columbia.....			740,000
Guam.....		9,000	15,000
Hawaii.....	446,223	608,000	727,000
Idaho.....	1,271,342	1,455,000	2,103,000
Illinois.....	404,520	2,200,000	6,189,000
Kansas.....			721,000
Kentucky.....	302,401	634,000	1,472,000
Louisiana.....	323,337	922,000	1,216,000
Maine.....	270,865	709,000	865,000
Maryland.....	963,175	1,452,000	1,913,000
Massachusetts.....	21,279,221	19,207,000	25,526,000
Michigan.....	8,740,251	8,167,000	11,181,000
Nevada.....			537,000
New Hampshire.....	7,990	97,000	290,000
New Jersey.....			7,878,000
New Mexico.....			935,000
New York.....	49,324,239	47,514,000	59,175,000
North Dakota.....	1,107,919	1,780,000	3,891,000
Oklahoma.....	603,922	735,000	1,121,000
Oregon.....	214,310	680,000	730,000
Pennsylvania.....	1,465,658	8,680,000	10,177,000
Puerto Rico.....	190,720	430,000	1,018,000
South Carolina.....	782,752	1,058,000	1,786,000
Tennessee.....	236,321	628,000	814,000
Utah.....	335,660	1,568,000	2,652,000
Vermont.....		282,000	825,000
Virgin Islands.....	22,418	23,000	35,000
Virginia.....			758,000
Washington.....	645,537	797,000	1,079,000
West Virginia.....	2,868,127	2,995,000	5,948,000
Total.....	102,361,137	142,700,000	209,500,000

NOTE.—This program was established under the Kerr-Mills legislation enacted in 1960. Under the same legislation, the Federal share of old-age assistance was raised by increasing the rate of Federal participation in payments to vendors of medical care.

REASONS FOR NONPARTICIPATION

Mr. FOGARTY. Take my State as an example. They just refused to come in the program, and since the Kerr-Mills bill was enacted, we have had both Republican and Democratic Governors. The main reason is they have to get up \$4 or \$5 million to get into it. Rhode Island doesn't have the money available and nobody wants to raise the taxes.

Mr. COHEN. I spoke to the Governor of Wisconsin myself—the last Governor—and the State welfare administrator in Wisconsin. I have had four meetings with Colonel Mills to see how we can help them implement it. The attitude is, it costs money. We cannot do it.

Mr. FOGARTY. That was the answer given by our last administration.

Mr. LAIRD. Any program like this is going to cost money. There is no question about that. But I was wondering if the basis for the charge that the Department is sabotaging this program could be, possibly, the fact that one of your recent reports highlights the gains that this administration has made during 1962 for the programs for the aged but barely mentions the Kerr-Mills program.

Secretary CELEBREZZE. In the report—I do not remember it by name—we did not call it the Kerr-Mills program. As I recall, in the report, we did mention the program and the number of people that had taken advantage of it.

Now, it may happen sometimes that some people don't read the report all the way through.

Mr. LAIRD. Well, it seems to me, most of the articles and editorials reflect that attitude.

Secretary CELEBREZZE. That report I referred to is the "Report on the Aged."

Mr. COHEN. Practically every report, Mr. Laird, that I know of, that we are making now, contains some reference to the Kerr-Mills program. Here is our last report on the Federal Council on the Aged.

We had an article in our magazine—Indicators—too, a month ago, which contained data on what we are doing. We have another one coming out next month. We tried our very level best at each point to put that material in.

Mr. LAIRD. The reason I asked the question is just because of all these clippings loaded down with charges that the Department is failing to implement Kerr-Mills.

PREPARED STATEMENT ON ACTIONS TAKEN TO IMPLEMENT PROGRAM

Secretary CELEBREZZE. I have a statement here that I would like to either read in the record, as to what we have done, or submit it for the record.

Mr. FOGARTY. Let's put it in.

Mr. LAIRD. Put it in now. Don't read it.

Secretary CELEBREZZE. All right.

(The statement follows:)

ACTIONS TAKEN BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE TO IMPLEMENT KERR-MILLS PROVISIONS—1960 AMENDMENTS TO TITLE I, SOCIAL SECURITY ACT

The implementation of any changes or expanded provisions of legislation dealing with State-Federal grant-in-aid programs such as those under title I of the Social Security Act ultimately rests with the State, the State legislature, and the official State agency. The 1960 amendments expanding the provisions under title I of the Social Security Act, including medical assistance for the aged, were not mandatory on the State. If a State chooses to participate in the program, it can either accept medical assistance for the aged or claim the increased matching under old-age assistance. The role of the Federal agency in implementing a new program of this sort is limited as in any State-Federal grant-in-aid program. Nevertheless within these limitations, the Department has proceeded to encourage maximum implementation of the intent of Congress. On September 15, 1960, only days after enactment of Public Law 86-778, the Secretary of the Department of Health, Education, and Welfare indicated his support for the new program by writing each Governor a letter describing the special provisions for aged persons, and offering the Department's assistance to the States to enable them to proceed with their planning.

The Bureau of Family Services of the Welfare Administration (formerly the Bureau of Public Assistance, Social Security Administration) is the unit in the Department of Health, Education, and Welfare responsible for administering the public assistance titles of the Social Security Act. This Bureau began working with the State assistance agencies before the enactment of the 1960 amendments, to gain a better understanding of the States problems in providing medical care for the aged and to acquaint them with some of the proposals.

Immediately following enactment of the Kerr-Mills provisions, the Bureau of Family Services met with a representative group of State directors of public assistance to discuss the new amendments, to explore tentative policy positions being taken by the Bureau, and in general to assist in understanding the new provisions.

Since the Kerr-Mills amendments relate so largely to medical care, it was recognized that the Bureau must also work closely with hospitals, doctors, physicians, and other medical personnel concerned. To facilitate this, the Bureau appointed a group of consultants on medical matters. This group, among its other functions, assists in gaining better public understanding. Bureau representatives met with the American Medical Association's Committee on Indigent Care on a number of occasions to exchange information and answer questions directed toward better understanding among physicians. The American Medical Association's Washington News Letter of December 1960 expresses that group's interest and its general position in support of medical assistance for the aged.

In 1961, after preliminary discussion between staff of the Bureau of Family Services and representatives of the American Hospital Association, the association appointed a committee to meet with the Director of the Bureau of Family Services to discuss matters of mutual interest. This group has met three times with the Bureau. The American Hospital Association undertook to canvass hospitals to determine common problems, which were then explored in meetings with the committee. Plans were worked out to maintain effective relations between the American Hospital Association and the Bureau. Also, it is planned to hold a jointly sponsored series of regional meetings, the first of which will be held in Denver, Colo., on March 21 and 22.

The technical medical staff of the Bureau, in the Division of Medical Care Standards, has prepared guides as well as handbook (regulating) material to assist State agencies in planning for and administering medical services for recipients. The staff of this division has participated in a number of national and regional meetings. The technical medical staff also assists States to consult with State aging staff, and on occasion with representatives of the State medical society and State hospital association. These consultations have related to possible ways to implement a medical assistance for the aged program in the State.

At the present time, 25 States plus Puerto Rico, Guam, and the Virgin Islands have programs of medical assistance for the aged in operation. The following material includes a table which shows the action taken by the States to date to implement the Kerr-Mills provisions, and the steps which have been taken by the Department to assist in this implementation:

REPORT FOR JANUARY 31, 1963—ACTIVITIES OF THE 54 JURISDICTIONS TO PUT INTO EFFECT THE NEW PROGRAM OF MEDICAL ASSISTANCE FOR THE AGED

A. Programs in effect,¹ 28 States:

Alabama	Maine	Puerto Rico
Arkansas	Maryland	South Carolina
California	Massachusetts	Tennessee
Connecticut	Michigan	Utah
Guam	New Hampshire	Vermont
Hawaii	New York	Virgin Islands
Idaho	North Dakota	Washington
Illinois	Oklahoma	West Virginia
Kentucky	Oregon	
Louisiana	Pennsylvania	

B. Plan submitted; not in effect, none.

C. Legislation enacted; plan not yet submitted, 1 State: New Jersey (effective July 1, 1963).

D. Legislation in process to give basis for program or to provide appropriation, 4 States—bill introduced: Indiana, Ohio, and South Dakota. Other status: Nevada (bill being drafted).

E. Need legislation, 17 States:

Alaska	Kansas	North Carolina
Arizona	Minnesota	Rhode Island
Colorado	Mississippi	Texas
Delaware	Missouri	Wisconsin
District of Columbia	Montana	Wyoming
Florida	Nebraska	

¹ Plans of these States are approved.

F. Have authority for medical assistance for the aged program not yet implemented, 4 States:

Georgia: Enacted 1961; no funds available.

Iowa: Enacted 1961; no appropriation.

New Mexico: Plan withdrawn; no appropriation.

Virginia: Enacted 1962; appropriation effective January 1, 1964.

1. Basic implementing activities

Prior to and directly after the passage of the medical assistance to the aged bill on September 13, 1960, much material was prepared and consultations held to discuss programing for medical care for the aged. The more pertinent actions during this period were—

June 28, 1960.—A statement from Commissioner William L. Mitchell to J. A. Kieffer, Assistant to the Secretary, summarizing "Medical Care of the Aged—Areas of Needed Information." This was prepared by Mrs. Ida C. Merriam, Director, Division of Program Research.

September 13, 1960.—Meeting of group of State representatives to advise Bureau of Public Assistance on 1960 Medical Care Amendments. (Minutes dated September 21, 1960.)

September 15, 1960.—A letter from the Secretary, Department of Health, Education, and Welfare, to all Governors and others regarding the Social Security Act Amendments of 1960.

November 27, 1960.—American Medical Association Medical Services Conference on Federal-State medical care programs for the aged, Washington, D.C. Several papers on the background and status of title VI of Public Law 86-778 were presented, including one by Commissioner William L. Mitchell on "What We Can Do and Cannot Do Under the Law." (A summary of this speech was prepared for the record on July 5, 1961.)

April 20, 1961.—Summary information on State implementation of the Kerr-Mills bill.

July 14, 1961.—A statement from Miss Goodwin to Commissioner Ball on comments on statements on medical assistance to the aged being prepared for use in congressional hearings.

November 9, 1961.—Letter from Wilbur Cohen to Representative T. B. Curtis regarding medical assistance to the aged programs.

2. Publications

"The Social Security Amendments of 1960," Wilbur Cohen (published in Public Welfare, October 1960).

"Public Assistance," reprint from annual report, 1961.

"Report on Medical Care Under Public Assistance" (October 1960-61), to Ways and Means Committee, March 15, 1962.

"Characteristics of State Public Assistance Plans Under the Social Security Act," 1962, PA Report No. 49.

"Medical Aids for Older Persons Through Public Assistance" (questions and answers), BPA 1960.

"Activities of 54 Jurisdictions To Put MAA in Effect," October 31, 1960, December 20, 1960, and additional weekly reports on progress.

"Annual Statistical Report of Medical and Remedial Care Provided Through Public Assistance Vendor Payment," December 1960.

3. Technical medical consultation

Consultation in policy interpretation and ways and means of providing medical care for the aged has been held in each regional office and approximately half of the State departments of public welfare.

4. Institutes on medical care in which staff members participated

July 1961: University of Michigan, "Training Institute on the Administration of Medical Care for the Needy" (the Bureau was a cosponsor).

Region IX: San Francisco, February 1962, "Planning for Assistance To Accomplish Program Purposes."

Region IV: Atlanta, May 1962, "Administration of Medical Care Programs for the Needy."

5. Conferences and meetings

National Health Council, Miami, March 1960, "Health Care of the Aged and Role of Public Assistance Agencies in Working With the Ill Aged."

American Hospital Association. "Provision of MAA and Their Relations to Hospitals," Chicago, September 1960.

"Workshops on Principles of Payment for Hospital Care," Chicago, March 1961.

"Medical Care of the Aging," Chicago, January 1962 (minutes dated March 20, 1962).

Annual Conference of Secretaries and Officers, California County Medical Society, Los Angeles, February 1962, panel, "Quality of Medical Care."

Southeast State and Territorial Health Officers, Gulfport, Miss., April, 1962, "Joint Responsibilities and Relationship of State Health and Welfare Agencies in Developing Medical Care Standards for Welfare Recipients."

North Carolina Association of Nursing Homes and Homes for the Aged, April 1962.

American Public Health Association, Miami, October 1962.

American Hospital Association, Utilization of Hospitals for Aged, Chicago, October 1962.

National Council on Aging, moderator of panel on "Health" at seminar on "Protective Services for Older People," March 1963.

6. *Papers presented by MCSD staff members*

Alabama Public Health Association Medical Care Section, Mobile, March 1961, "Medical Care for the Aged."

"Services to Persons Needing Nursing Home Care," APWA region, Memphis, September 1961.

"The Viewpoint of Public Assistance," Institute on Financing Nursing Home Care. ANHA, Cleveland, September 1961.

APWA National Biennial Round Table Conference, Chicago, November 1962, "Medical Assistance for the Aged."

"The Medical Assistance for the Aged Programs," AMA, Denver, November 1961.

APWA, Southwest Region Conference, Dallas, March 1962, "Health Happiness in Old Age."

Annual meeting, Texas Social on Aging, November 1962, panel on "Vendor Medical Care for the Aged."

"Kerr-Mills in Action, 1962," AMA, Los Angeles, November 1962.

7. *State letters regarding MAA program, March 1960-January 1963*

Number	State letter
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400	"Services to Older People," PA Report No. 38.
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431	Social Security Amendments of 1960 (Public Law 86-778), implementation of law.
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437	Public Law 86-778, Social Security Amendments of 1960, correction in attachment C to State letter No. 31.
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451	"Medical Assistance for the Aged, Periodic Statistical Report," Form PA 204 and 233.
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453	Bureau leaflet, "Medical Aid for Older Persons Through Public Assistance."
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463	Handbook supplement, "Medical Assistance for the Aged."
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466	"Public Assistance—1960," reprint from the annual report of the U.S. Department of Health, Education, and Welfare.
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468.	Inquiry on implementation of Public Law 86-778.
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469	"Medical Assistance for the Aged, Forms and Instructions for Submitting Estimates and Reporting Expenditures."
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486	"Medical Assistance for the Aged, Financial Eligibility."
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501	"Casework with the Aging," a reprint.
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504	"Financial Eligibility: Medical Assistance for the Aged."
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518	Institutional status.
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525	Publication: "Public Assistance Under the Social Security Act," revised edition.
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531	Handbook supplement, "Medical Assistance for the Aged."
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532	"Home Health Aid Services—Vendor Payment for Medical Care."
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556	"Characteristics of State Public Assistance Plans Under the Social Security Act: Provisions for Medical and Remedial Care," PA Report No. 9.
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561	Report: "Medical Care Under Public Assistance" (Mar. 15, 1962, report to Congress).
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564	Publication: "Casework Services in Public Assistance Medical Care."
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571	"Assistance to Individuals on Conditional Release From Mental Institutions," titles I (OAA and MAA) X and XIV.
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- 578 "Cost Estimates for Program of MAA."
- 584 "Public Assistance—1961," reprint from the annual report of U.S. Department of Health, Education, and Welfare.
- 593 "Forty-two-Day Provision Regarding Persons in a Mental Institution as a Result of a Diagnosis of Tuberculosis or Psychosis," title I, OAA and MAA.
- 603 Reports: "Cooperative Action Between State and Local Health and Welfare Agencies."
- 616 "Aid to the Aged, Blind, or Disabled, or Such Aid to Medical Assistance for the Aged," title XVI.
- 617 New title XVI: "Aid to the Aged, Blind, or Disabled, or for Such Aid and MAA," supplementary information for submittal of State plans.

Mr. COHEN. One of the reasons we put those articles in the green sheet, Mr. Laird, is that most of us were concerned with it and we feel that the articles have unjustifiably charged us with that.

Now, for instance, I will give you an illustration.

WORK WITH AMERICAN MEDICAL ASSOCIATION

We have been working with the American Medical Association over the last several years, with questions and answers on it. Nobody ever gives us any credit for that. They may amaze us and say: "We are just overjoyed with the cooperation we are getting." We worked with them very consistently, and will help them in any way. We have a medical advisory committee with two representatives from the American Medical Association on it. It meets periodically to set standards and work with the States in this whole area, and we meet with individual States. We meet with all the State welfare administrators, and last year, I asked them: "Please submit to your Governors recommendations for the implementation of Kerr-Mills."

Now, I don't know much more that we can do. We cannot pass the laws of the States. We cannot appropriate the moneys. We have recommended; we have encouraged; we have advised; we have consulted with every group.

Mr. LAIRD. Don't misunderstand me. I am not asking you people to lobby the States because I would be against it.

Secretary CELEBREZZE. I think also that in the American Medical Association publication they are making a concerted effort to urge State legislators this year to adopt the Kerr-Mills program.

Mr. COHEN. The typical reaction I have gotten when we talked with the Governor—when he and I talk about his budget—he says: "I either have to raise taxes or cut down what I want to spend for education, or make some different kind of an adjustment," just like you gentlemen have to do. He said: "I cannot see my way to do it."

Mr. LAIRD. All you really have to do would be to amend the State constitution and go into deficit financing. That seems to be the solution to the Federal Government's problems according to a lot of people.

Mr. COHEN. As a matter of fact, Mr. Laird, he would not have to do that, for this reason.

Under the Kerr-Mills program, you can transfer many of your cases for medical care from old-age assistance and get more money under Kerr-Mills than you are getting at the present time. Thus you save State money, and the large bulk of the States that have taken

advantage of the program to date, have been involved in no net increase in payments to either hospitals or physicians or to the individuals, for medical care. There has simply been a shifting from the vendor payment in the medical care for old-age assistance to the Kerr-Mills program which has a more attractive financial participation.

NEW YORK PROGRAM

Mr. LAIRD. It seems like New York State is always in on the ground floor on these things. They are certainly taking advantage of it.

Mr. COHEN. It is because they had a program. What a program like this does is benefit those States already doing something on their own. New York, Massachusetts, and Connecticut were three States that did have comprehensive medical care for the indigent. When Kerr-Mills came along, all they had to do was just shift everything from, you know, column A, with very few changes, to column B, and they got a lot more Federal money for doing what they did before. So that is what happened.

In the 25 States that have been taking advantage of this program, the reason they were able to take this advantage is because they were doing substantially what this program, Kerr-Mills, wanted them to do, previously. The States that need new laws, need new money, need new authorization, they are the ones that have not taken advantage of it. So the net effect of the Kerr-Mills program has actually been to increase medical care for old people very negligibly.

Secretary CELEBREZZE. I might add that 27 States have now adopted it. We have one other State which has enacted legislation—New Jersey. They enacted it, on July 1, 1963, and legislation is now in process to give a basis to provide appropriation for four more States.

We have a bill introduced now in Indiana, Ohio, South Dakota, and in the State of Nevada. So you still need legislation in 17 States, of which Rhode Island, Mr. Chairman, is one.

Thus you see, we have—for a Department that isn't giving too much attention, supposedly not giving too much attention according to our critics—we are keeping close tab on what is going on with the Kerr-Mills program.

Mr. COHEN. I may also say, we tried to encourage the Congress of the United States to put the money in the budget for the District of Columbia, and we were not successful last year.

Secretary CELEBREZZE. As a matter of fact, the President, I think in part of his message has requested that the District of Columbia adopt this program.

QUOTATION FROM FRANKLIN D. ROOSEVELT

Mr. LAIRD. Mr. Secretary, I came across a very interesting quotation, which I think has some application to this budget we are considering.

The quote is as follows:

If the Nation is living within its income its credit is good. If in some crisis it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like the spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing up to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

I think that is a very good quote.

Secretary CELEBREZZE. Whom are you quoting? That is important.

Mr. LAIRD. I don't think it makes much difference who I am quoting. I think it is a pretty good philosophy of Government.

Secretary CELEBREZZE. I think so, too.

Mr. LAIRD. It so happens, I am quoting from Franklin Delano Roosevelt.

HEALTH INSURANCE FOR THE AGED

Mr. MICHEL. Mr. Secretary, on page 7 of your testimony, under the general heading of "Health Insurance for the Aged," you say that—

For those aged who do not participate in the social security program, benefits would be paid from regular appropriations. Since the new program would not become effective until January 1965, no funds would be needed in fiscal year 1964.

While we are not talking about any specific funds here, what are you really talking about?

Secretary CELEBREZZE. You are talking about the 2½ to 3 million people who were never connected with the social security program. If our hospital insurance program goes through, we want to give them the protection. That wouldn't come out of social security funds. That would come from general appropriations.

Mr. MICHEL. Right, now, since, you obviously considered this there must be some projections of what it might cost. What is that cost?

Secretary CELEBREZZE. We have projections of the cost factor. The point I was trying to make here is it would not be in the 1964 budget.

Mr. MICHEL. Right.

If this is in the wind, I would like to have some indication of what kind of money we are talking about.

Secretary CELEBREZZE. I will furnish those for the record.
(The information follows:)

The contributions allocated to the hospital insurance trust fund are estimated at \$710 million for fiscal year 1965 and \$1,690 million for fiscal year 1966. The estimated benefit payments and administrative expenses with respect to insured persons are estimated at \$420 million for fiscal year 1965 and \$1,390 million for fiscal year 1966. The cost of the hospital benefits furnished to noninsured individuals is estimated at \$80 million for fiscal year 1965 and \$280 million for fiscal year 1966; the foregoing figures are the gross payments made from general funds. The estimated offset in the old-age assistance and medical aid to the aged programs amounts to \$60 million in fiscal year 1965 and \$190 million in fiscal year 1966, with respect to both the insured and noninsured beneficiaries.

Preliminary estimates of administrative costs of H.R. 3920 are as follows:

	Fiscal year 1965 ¹	Fiscal year 1966
Total Program: ²		
Positions.....	3,010	3,100
Man-years.....	4,210	2,950
Money.....	\$39,200,000	\$43,600,000
Insured persons:		
Positions.....	2,040	2,490
Man-years.....	2,850	2,370
Money.....	\$28,400,000	\$36,600,000
Noninsured persons:		
Positions.....	970	610
Man-years.....	1,360	580
Money.....	³ \$10,800,000	\$7,000,000

¹ These estimates presume that the bill will be approved in the current session of the Congress. Considerable "make ready" costs will be incurred between the enactment date and the Jan. 1, 1965, effective date. The principal areas of cost are—

(a) Processing short-form claims from 2,500,000 people uninsured under both Social Security Administration and Railroad Retirement Board.

(b) Contact with all of the 18,200,000 eligible persons in order for them to exercise the option on duration of inpatient hospital services and deductible provisions;

(c) Issuance of identification cards to the 18,200,000 eligible persons;

(d) Handling inquiries in the district offices;

(e) Negotiation of agreements with providers of services; and

(f) Recruitment and training of over 3,000 employees required to administer the program.

These nonrecurring jobs will be spread over the calendar year 1964 with each phase scheduled as soon as possible from the standpoint of efficiency and economy. These non-recurring makeready jobs could not be delegated to private organizations which participate in the administration of the program. This means that the one-time load in the first half of fiscal year 1965 would be heavier than the continuing load in fiscal year 1966. This excess load in 1965 would be handled by the use of overtime, which explains why the 1965 man-years exceed the number of positions.

Inpatient hospital services, outpatient diagnostic services, and home health services will become effective on January 1, 1965. Nursing home services will not become effective until July 1, 1965.

There would also be some additional OASI claims in fiscal year 1965 from individuals who are eligible for old-age benefits but who continue to work. Claims from these individuals must be processed in order to establish eligibility for health insurance benefits. Cost of processing these claims would be chargeable to the OASI trust fund and have not been included in the above estimates.

² The bill provides that any group of hospitals, or group of other providers of covered services, may designate a private organization of their own choice, such as Blue Cross, to receive bills for services and to pay for these bills for whichever of their members prefer such an arrangement. In addition, the Secretary would be able to delegate certain administrative functions of the program to these designated organizations such as, for example, the audit of the records of providers and the use of private organizations as a center for communicating and interpreting payment procedures to hospitals. The number of positions and man-years above presuppose that the majority of providers of services and the Secretary would elect to designate private organizations to participate in the administration of the program. The number of Federal employees would be increased commensurately to a decrease in participation of private organizations.

³ Nonrecurring cost of establishing health insurance benefits eligibility for the 2,500,000 noninsured individuals explains why the fiscal year 1965 cost exceeds the fiscal year 1966 cost.

MENTAL RETARDATION

Mr. MICHEL. Then down further on at page 7, you are talking about mental retardation.

You say that the 1964 budget includes expenditures of \$205 million, as a part of a comprehensive national effort to deal with the causes and effects of mental retardation and represents an increase of \$76 million over 1963.

Mr. CELEBREZZE. Yes.

Mr. MICHEL. Can we have a breakdown in the record of just exactly where this will go?

Mr. COHEN. Yes.

Mr. CELEBREZZE. Yes, I have it. Rather than read it, I will furnish it, or I can read it now. Whatever you want.

Mr. MICHEL. No. Just furnish that for the record, if you will.

Mr. CELEBREZZE. We will.

(The information follows:)

Program for mental retardation

[In thousands of dollars]

Agency and appropriation	1963 new obligational authority	1964 new obligational authority			Differ- ence
		Existing authority	Proposed legislation	Total	
I. PREVENTION AND TREATMENT					
Office of Education:					
National Defense Education Act.....	50	25		25	-25
Training teachers of mentally retarded ¹	1,000	1,000		1,000	0
Cooperative research.....	467	1,056		1,056	+589
Salaries and expenses.....	61	129		129	+68
Educational grants to depressed areas ¹			20,000	20,000	+20,000
Teaching handicapped children ¹			5,000	5,000	+5,000
Subtotal, Office of Education.....	1,578	2,210	25,000	27,210	+25,632
Office of Vocational Rehabilitation:					
Grants to States ¹	3,550	5,400	2,350	7,750	+4,200
Research and training.....	1,225	3,235		3,235	+2,010
Salaries and expenses.....		47	175	222	+222
Subtotal, Office of Vocational Rehabilitation.....	4,775	8,682	2,525	11,207	+6,432
Public Health Service:					
National Institute of Mental Health.....	7,288	15,091		15,091	+7,803
National Institute of Neurological Diseases and Blindness.....	15,839	17,893		17,893	+2,054
Child health and human development.....		3,200		3,200	+3,200
Chronic diseases and health of the aged.....	290	1,000		1,000	+710
Dental services and resources.....	143	105		105	-38
Special research centers.....		0	6,050	6,050	+6,050
Subtotal, Public Health Service.....	23,560	37,289	6,050	43,339	+19,779
Social Security Administration:					
Maternal and child health grants ¹	1,665	2,665	1,000	3,665	+2,000
Crippled children's services ¹			500	500	+500
Salaries and expenses, Children's Bureau.....	106	177		177	+71
Salaries and expenses, Bureau of Family Services.....	20	25		25	+5
Comprehensive maternity care ¹			5,100	5,100	+5,100
Subtotal, Social Security Administration.....	1,791	2,867	6,600	9,467	+7,676
Office of the Secretary:					
Planning grants ¹			2,200	2,200	+2,200
Total, prevention and treatment.....	31,704	51,048	42,375	93,423	+61,719
II. INCOME MAINTENANCE					
Public assistance grants ¹	² 33,000	36,000	0	² 36,000	+3,000
Trust funds.....	63,800	75,300		75,300	+11,500
Total, income maintenance.....	96,800	111,300	0	111,300	+14,500
Grand total, Department of Health, Educa- tion, and Welfare.....	128,504	162,348	42,375	204,723	76,219
Appropriations.....	(64,704)	(87,048)		(129,423)	(64,719)
Trust funds.....	(63,800)	(75,300)		(75,300)	(11,500)

¹ Indicates programs where funds will be disbursed as grants to States.

² Information is not available on costs due to mentally retarded people who are receiving public assistance since data received does not single out this one cause as a factor of disability or dependency. The amounts shown are estimates based on a study made in 1951 as to the cause of disability or dependency and on the assumption that the percentage factor remains constant.

Mr. MICHEL. Would that breakdown give any kind of an indication of what would be going back to the States?

Mr. KELLY. Not in its present form, but a very substantial part of it would be because it includes the payments under public assistance grants and payments under the social security program.

Mr. COHEN. You can identify it. We can put an asterisk before each item that goes back to the State.

Mr. CELEBREZZE. And then we have the State planning grants in that.

Mr. KELLY. I just say there is a great preponderance being returned to States and individuals.

Mr. MICHEL. Well, it might be well for all the other Members of Congress to know what comes back to their own State. This would be pretty much of a monumental task, probably. I should like to know what my own home State of Illinois would be getting back.

Mr. KELLY. This is extremely difficult to do because what we have is a series of programs in which part of the program is associated with the mentally retarded. We have identified what parts are associated with mentally retarded; we can take the program and say how much goes back to the States.

To take that overall State figure, and figure how much there is for the mentally retarded in any one State, would be extremely difficult.

Mr. COHEN. We could give an illustration on those two parts that have State formula grants as to what Illinois would get under those two parts.

Mr. MICHEL. That is all I am interested in.

Mr. CELEBREZZE. We can furnish that for you.

(The information follows:)

None of the funds used specifically for mental retardation are allocated to States on a formula basis. In some cases the total appropriation is allocated by formula, such as vocational rehabilitation grants, but the amount of the total used for mental retardation activities in any one State is determined by the State on the basis of its own needs and assignment of priorities. In others, such as public assistance grants and payments under the old-age survivors and disability insurance programs, the amount used for mental retardation depends on the rate of incidence of the affliction and information available does not identify the exact cause of disability or dependency. While obligations can be predicted with considerable accuracy on a nationwide basis, an estimate for any single State would be potentially misleading because of variations by State.

The following information as to obligations for mental retardation activities in the State of Illinois in fiscal year 1962 will provide an indication of State distribution.

Vocational rehabilitation grants (actual)-----	\$78, 500
Children's Bureau grants (actual)-----	42, 763
Payments from the old-age survivors and disability insurance funds (estimated)-----	6, 500, 000

SUPPORT OF PRINCIPAL INVESTIGATORS FROM NIH GRANTS

Mr. MICHEL. On page 12, Mr. Secretary, you are talking about NIH grants and you mentioned 16,000 principal investigators will receive support from this NIH grant.

Now, how is "principal investigators" spelled out or defined?

Mr. KELLY. Well, an individual, such as a professor of a university, applies for a research support through his university, and we are treating here only the principal investigator. He may have associated with him an additional professional staff and graduate students but we are only talking about the person who is in charge of the project to which the grant would actually apply. That is the idea.

Mr. MICHEL. Now, what is the total figure involved in dollars and cents to carry out this program involving the 16,000?

Mr. KELLY. Well, it is the research grant portion of the National Institutes of Health budget.

Mr. MICHEL. That totals what?

Mr. KELLY. Let me put the figure in the record.

(The information follows:)

The estimated cost of supporting these principal investigators in 1963 is \$383,016,000.

Mr. MICHEL. And these would range from a low of x dollars to a high of x dollars. Could you supply that?

RANGE OF RESEARCH GRANTS

Research grants for 1962 ranged in size from \$230 to \$2,438,800 for a primate center. The largest grant other than special center grants was \$1,200,000 for chemotherapy.

Mr. KELLY. Yes. And that would be a very wide range. It would be a range running at least from a little over \$10,000 to a little over a half a million dollars. The average-size figure would be close to \$20,000 but the range would be great.

Mr. MICHEL. How many would you say would be over a quarter of a million?

Mr. KELLY. Probably 100, and we have made a list of those. We provided them to the committee.

(The information follows:)

Institute	Grant No.	Principal investigator	Amount	Title
California: California Institute of Technology..... California State Department of Public Health..... Children's Hospital Society of Los Angeles..... Cooperative Commission on the Study of Alcoholism. Kaiser Foundation Research Institute..... University of California.....	RG-6965C2 HM-19481 & S2 GM-10407 3M-9181 NB-2640C1S1 & C2 CYP-6105	Owen, Ray D..... Cunningham, Gordon R..... Ward, Robert..... Sanford, Norbert..... Yerushalmi, J..... Longmire, William P. J.....	\$500,000 267,750 536,014 267,628 511,816 650,000	Basic experimental biology. Hospital utilization. General clinical research center for children. Cooperative commission on the study of alcoholism. Factors in child development and cerebral palsy. The evaluation of cancer chemotherapeutic agents in humans.
Do..... Do..... Do..... Do..... Do..... University of California Medical Center..... University of California..... Do..... University of Southern California..... Stanford University..... Do..... Do..... Colorado: University of Colorado..... Connecticut: Yale University..... Do.....	GM-10299 RG-8863 & S1 H-7360 OG-48 AI-4189C1 GS-52 H-6265S1 & C1 OS-1981, C1, & C1S1 OG-57 GS-56 OG-70 AI-4152S1 & C1 C-6519 GS-58	Saunders, J. B..... Dixon, Wilfrid J..... Merk, Emil M..... Forsham, Peter H..... Audy, J. Ralph..... Warren, Stafford L..... Saunders, J. B..... Conroe, Julius H., Jr..... Loosli, Clayton G..... Alway, Robert H..... do..... Kretschmer, Norman..... Talmage, David W..... Kligerman, Morton H..... Lippard, Vernon W.....	425,000 2,103,940 2,335,160 504,541 485,327 327,648 353,355 850,501 266,784 530,000 349,794 267,305 419,794 685,504 331,610	General clinical research center. Medical data processing research. Construction of national primate conditioning center. General clinical research center. International center for medical research and training. General research support. Do. Cardiovascular research center. Clinical research facility. Multicategorical clinical research center. General research support. Clinical research center for premature infants. Development of a clinical research center. Radiation therapy research program. General research support.
Florida: University of Florida..... University of Miami..... Georgia: Emory University..... Illinois: University of Chicago..... Do..... Do..... University of Illinois.....	OG-71 GS-63 OG-15C1 & S1 RG-9940 GS-67 OG-37S1 & S2 OG-21R1	Harrell, George T..... Lawson, Robert B..... Richardson, Arthur..... Meier, Paul..... Bennett, H. Stanley..... do..... Dowling, Harry F.....	403,865 276,637 324,904 358,187 426,672 271,916 450,000	Noncategorical clinical research center. General research support. Clinical research facility. Biological sciences computation center. General research support. Multicategorical clinical research center. Clinical research center for research and educational hospitals.
Indiana: Indiana University..... Indiana University Foundation Research Division..... Kansas: University of Kansas..... Louisiana: Charity Hospital..... Louisiana State University..... Tulane University..... Do..... Do.....	OG-39 HE-6968C1 OG-52 BP-2383C4 AI-4391C1 AI-4178C1 & S1 RG-9073 H-6325 HP-6769R1	Deiss, William P., Jr..... Hickam, John B..... Miller, C. Arden..... Paddison, R. M..... Frye, William W..... Paterson, J. C..... Sweeney, James W..... Longenecker, Herbert..... Burch, George E.....	450,000 649,385 400,000 446,927 365,214 500,000 513,098 2,428,000 390,600	Multicategorical clinical research facility. Cardiovascular clinical research center. Clinical research center. Collaborative study of cerebral palsy. LSU-middle American center for medical research training ICMRT. International center for medical research and training. An integrated biomedical computing system. Associated universities primate center—Construction. Program project for study of cardiovascular system.

1962 research grants, \$250,000 and over—Continued

Institute	Grant No.	Principal investigator	Amount	Title
Maryland:				
Johns Hopkins University	AMP-6006R1	Dintzis, Howard M.	\$381,820	The molecular biology of proteins and nucleic acids.
Do	RG-7903C1	McElroy, William D.	300,332	Research in chemical biology.
Do	OG-11C1	Turner, Thomas B.	364,829	Clinical research facility.
Do	H-6945	Gantt, W. Horsely	318,155	Laboratory for study of psychogenic factors in cardiovascular functions.
Do	BP-2371C4	Cooke, Robert E.	406,419	Study of neurological deficits in infants and children.
Do	AI-4154C1	Bang, Frederick B.	354,962	International center for medical research and training.
Do	GS-78	Turner, Thomas B.	290,281	General research support.
Sinal Hospital of Baltimore, Inc.	CY-2478C6S1 & C7	Seligman, Arnold M.	318,673	Chemotherapy of cancer—experimental and clinical.
University of Maryland	OG-8C1	Woodward, Theodore E.	272,389	Clinical investigation and metabolic research ward.
Do	AI-4162C2	McCrum, Fred R., Jr.	387,602	International medical research and training center.
Massachusetts:				
Boston Lying-in Hospital	BP-2372C3S2 & C4	Clifford, Stewart H.	658,053	Perinatal deficits.
Boston University	A-5589	Ingelfinger, Franz J.	371,819	Research in disorders of metabolism and G-I tract.
Children's Cancer Research Foundation	C-6516	Farber, Sidney	1,200,000	Chemotherapy of cancer—Clinical, chemical, and related biological studies.
Harvard University	OG-6C1 & S1	Thorn, George W.	629,019	Clinical research center.
Do	OG-65	Castle, William B.	1,381,786	Harvard Medical Research Center—Boston City Hospital.
Do	HE-6316C1	Wessler, Stanford	285,775	Multidisciplinary study of aging and arteriosclerosis.
Do	H-7211	Berry, George P.	2,438,800	Construction of New England regional primate research center.
Do	GS-81	Berry, George P.	295,166	General research support.
Marine Biological Laboratory	GM-10383	Szent, Gyorgyi, Albert	378,019	Bioenergetics, chemistry of muscle and thymus.
Massachusetts General Hospital	D-1777	Glimcher, Melvin J.	407,350	The molecular biology of mineralized tissues.
Massachusetts Institute of Technology	MH-4737C1	Rosenblith, Walter A.	308,200	Basic research in communication sciences.
Massachusetts Mental Health Center	MH-5077C1	Ewalt, Jack R.	275,169	Psychiatric research center—Studies in psychoses.
New England Center Hospital	GM-10618S1 & S2	Astwood, Edwin B.	432,762	Multicategorical chemical research center.
Robert B. Brigham Hospital	AMP-5577	Bayles, Theodore B.	328,843	Clinical research unit in rheumatic diseases.
Michigan:				
University of Michigan	OG-18C1 & S1	Hubbard, William N., Jr.	695,963	Multicategorical clinical research center.
Do	RG-9252R1	Neel, James V.	490,159	Area program in cellular and biochemical genetics.
Do	HE-6378S1 & C1	Francis, Thomas, Jr.	574,658	Center for research in diseases of the heart.
Do	GS-83	Hubbard, William N., Jr.	313,017	General research support.
Do	OG-63	Whitten, Charles F.	454,998	A clinical research unit for children.
Michigan: Wayne State University				
Minnesota:				
University of Minnesota	BP-2358C4 & S2	Anderson, John A.	382,412	Collaborative study of cerebral palsy.
Do	HE-6314C1	Howard, Robert B.	450,208	Cardiovascular clinical research center.
Do	GS-85	do	351,468	General research support.
Missouri:				
Central Institute for the Deaf	B-3856	Davis, Hollowell	279,435	Auditory communication and its disorders.
Washington University	OG-12C1	Kipnis, David M.	290,247	Clinical research facility.
Do	GS-89	Denney, Edward W.	289,104	General research support.
New Jersey:				
Seaton Hall University	OG-17RIS1 & C1	Jeghers, Harold	323,605	Clinical research center.
Seton Hall College of Medicine and Dentistry	H-6376	Hellems, Harper K.	312,159	Cardiopulmonary renal clinical research center.

New York:			
American Public Health Association	GM-8262C1	Spiegelman, Mortimer	\$258, 230
Bank Street College of Education	3M-9135C4 & S1	Biber, Barbara	Vital and health statistics monographs.
Columbia University	BP-2390C4	Gates, Marguerite J	Schools and mental health—an action-research program.
Do	B-3359	Merritt, I. Houston	Studies on the pathogenesis of cerebral palsy.
Do	CY-2332C7	Gellhorn, Alfred	Study of Aneurysms and acute subarachnoid hemorrhage.
Do	RG-9069	Papper, E. M.	Cancer chemotherapy, clinical and laboratory.
Do	HE-5741C1	Bradley, Stanley E.	Research in anesthesiology.
Do	OM-1178	Cloward, Richard A.	Cardiovascular research institute.
Do	GS-96	Merritt, H. Houston	Mobilization for youth.
Cornell University	OG-23C1	Deitrick, John E.	General research support.
Do	GS-97	do.	Clinical research facility.
Health Research, Inc.	CYP-6060	Moore, George E.	General research support.
Memorial Hospital for Cancer and Allied Diseases (Sloan-Kettering)	CY-3190C5	Brown, George B.	Preliminary human pharmacology of anticancer agents.
Do			Protein chemistry.
Do	CY-3215C5		
Mobilization for Youth	C-3817C4	Burchenal, Joseph H.	Clinical chemotherapy of cancer.
Montefiore Hospital	MH 426C1S1 & C2	Randall, Henry T.	Experimental surgery of cancer.
New York Medical College	OG-35S1 & S2	McCarthy, James E.	Mobilization for youth.
New York University Medical Center	BP-2360C4	Cherkasky, Martin.	General clinical research center.
Do	OG-4C1	Slobody, Lawrence.	Clinicopathologic correlations in cerebral palsy.
Do	GS-100	Mulholland, John H.	Clinical research center.
Public Health Research Institute of the City of New York, Inc.	EP-4161	Wortis, S. Bernard	General research support.
Research Foundation of State University of New York	GM-10320	Schafer, Morris	Adenovirus typing sera.
Do		Richmond, Julius B.	General clinical research center for children.
University of Buffalo	M-5518	Kaufman, Charles I.	
Do	OG-66	Rubin, Mitchell I.	Psychiatric treatment research center.
University of Rochester	GS-96	Brown, Robert L.	Children's research center.
Yeshiva University	GS-103	Anderson, Donald G.	General research support.
Do	AMP-5664R1	Levenson, Stanley M.	General research support.
Yeshiva University—Graduate School of Education	OG-51R1	Kogel, Marcus D.	General research.
Do	GS-98	Kogel, Marcus D.	General clinical research center, acute.
North Carolina:			General research support.
Duke University	OG-5C1	Sidbury, James B., Jr.	
University of North Carolina	OG-24C1	Berryhill, W. R.	Clinical research center.
Do	HM-74C5	Williams, T. Franklin	Clinical research facility.
Ohio:			Process of patient referral to university general clinics.
The Children's Hospital	OG-67	Baxter, Earl	
Ohio State University Research Foundation	OG-10C1	Hamwi, George J.	Clinical research center.
University of Cincinnati	GS-108	Dorst, Stanley E.	Do.
Do	RG-9880	Sterling, Theodore D.	General research support.
University Hospitals of Cleveland	GM-10128	Bond, Douglas D.	Expansion of biomedical center.
Western Reserve University	GM-7200C2	Chinn, Austin B.	General clinical research center.
Do	RG-9071 & S1	Schneiderman, Howard	Interdisciplinary program of research in aging.
Do		Bond, Douglas D.	Equipment for developmental biology research center.
Oklahoma:			General research support.
University of Oklahoma	HE-6296C1 & S1	Wolf, Stewart	
Do	OG-46	Riley, Harris D., Jr.	Cardiovascular clinical research center.
			Multicategorical clinical research center.

1962 research grants, \$250,000 and over—Continued

Institute	Grant No.	Principal investigator	Amount	Title
Oregon: Medical Research Foundation of Oregon, Inc. University of Oregon University of Oregon Medical School Pennsylvania: Children's Hospital of Pennsylvania	HE-5129C2 BP-2370C4 HE-6336C1 BP-2366C4	Pickering, Donald E. Benson, Ralph Baird, David W. Scott, T. F.	\$1,066,122 379,586 781,106 339,893	Oregon primate research center. Collaborative study of cerebral palsy. Cardiovascular clinical research center. Collaborative study of cerebral palsy, mental retardation, and allied diseases.
Children's Hospital of Pittsburgh Jefferson Medical College Pennsylvania Hospital Temple University University of Pennsylvania Do. University of Pittsburgh Rhode Island: Brown University Tennessee: Vanderbilt University University of Tennessee	GM-10283 OG-60 BP-2387C5R1 HE-6313 GS-115 RG-9070 GS-116 NB-2356C5 OG-2C1 BP-2406C3	Day, Richard L. Wesson, Laurence, Jr. Israel, S. Leon Winters, William L., Jr. Mitchell, John M. Dripps, Robert D. Cheever, F. S. Brooks, Glidden L. Newman, Elliott V. Hughes, James G.	285,000 475,000 529,969 456,484 380,729 270,280 279,866 318,747 273,349 336,470	General clinical research center for children. General clinical research center. The collaborative study of cerebral palsy. Cardiovascular clinical research center. General research support. Research in anesthesia. General research support. Study of perinatal factors in child development.
Texas: Baylor University Do. University of Texas University of Texas Medical Branch University of Texas M. D. Anderson Hospital and Tumor Institute. Virginia: Medical College of Virginia Do. Washington: University of Washington Do. Do. Do. Do. Wisconsin: University of Wisconsin Do. Do. Do. Do. Puerto Rico: University of Puerto Rico. Switzerland: World Health Organization	H-5435C1 GS-125 RG-6492C2 & S1R1 OG-62 C-6294 OG-50 BP-2383C3S2 & C4 AMP-6741R1 HE-6691C1 OG-13C1 & S1 GS-132 CYP-6071 HE-6287C1 C-6295R1 GS-135 OG-48 EF-194C1	Pruitt, Raymond D. Olson, Stanley W. Stone, Wilson S. Truslow, John B. Fletcher, Gilbert H. Papper, Solomon Ware, H. Hudnall, Jr. Scribner, B. H. Ruch, T. C. Aagaard, George N. do. Currier, A. R. Harlow, Harry F. Halvor, Vermund Cohen, Philip P. Vivas, Jose R. Candau, Marcolino G.	683,850 286,615 317,963 315,000 455,435 250,000 557,099 656,098 274,982 341,102 314,487 650,000 451,375 500,000 284,129 500,000 273,000	Cardiovascular research center. General research support. Research in genetics and cell biology. Clinical research center. Extension of radiotherapy research center. Multicategorical clinical research facility. Longitudinal study of the etiology of cerebral palsy. Dialysis in the treatment of chronic uremia. Primate research center operation. Clinical research facility. General research support. Preliminary human pharmacology of anticancer agents. Operation of a Wisconsin primate center. Radiotherapy research center. General research support. Multidisciplinary clinical research facility. Insecticide Resistance and vector control.

MANPOWER DEVELOPMENT AND TRAINING ACT

Mr. MICHEL. Mr. Secretary, in the next paragraph, under the Manpower Development and Training Act, you speak of 200 schools and colleges already conducting training programs for over 6,000 unemployed men and women.

Then you go on to mention that in total there were more than 4 million persons enrolled last year in various educational programs supported by the Department.

A total of 6,000 as against 4 million persons, doesn't look very good, does it, on paper?

Mr. CELEBREZZE. Well, that is true, but you must remember that the Manpower Development Training Act did not get started until almost September, I think it was, when the money was appropriated. The Manpower Development and Training Act also deals primarily with unemployed men and women, those that can no longer use their skills, and we are now trying to teach them other skills. There is wide variance between these and the vocational education programs that you have in high schools.

Mr. MICHEL. I probably should have said the 6,000 retrained unemployed, as against the total of those unemployed across the country is a very, very minute figure.

Mr. CELEBREZZE. Well, the figure that we are shooting for was 70,000 persons retrained. We thought, with the lateness in getting started, we would probably hit between 40,000 and 50,000 this year, but we are shooting for a much higher figure.

Mr. MICHEL. When you say "this year," what are you talking about?

Mr. CELEBREZZE. 1963.

Mr. KELLY. This year, 1963.

I think that Secretary Wirtz presented to you the budget estimate on this. You see, part of the funds were allocated to us for the training programs; and I think the figure was 140,000 persons.

Mr. CELEBREZZE. Yes. Yes. It was a substantial figure. It was practically double what we thought we could do this year. This is a joint operation between the Labor Department and our Department.

EDUCATIONAL TELEVISION FACILITIES

Mr. MICHEL. On page 16 of your testimony, you speak of the new special program of grants for construction of educational television facilities; and of their playing an important role in the improvement of educational opportunities for people of all ages.

How many applications have actually been received for these grants?

Mr. KELLY. Well, nobody is actually eligible.

Mr. MICHEL. Why?

Mr. KELLY. There are no funds.

Mr. CELEBREZZE. It is in the supplemental.

Mr. KELLY. But we have received inquiries and we do have a status report on the progress of the individual States, the number which are now active, and the number which they have under consideration, the degree of interest and the degree of progress, and we could submit a statement on that report.

Mr. MICHEL. Would you do that?

Mr. KELLY. Yes, and it shows a very high degree of interest in that the States have already indicated that they are prepared to use all of the funds that we have in the 1963 supplemental and in the 1964 budget.

(The information follows:)

STATEMENTS ON STATE AND LOCAL EDUCATIONAL TELEVISION STATION ACTIVATION
RECEIVED BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Since the passage of Public Law 87-447, State and local agencies have initiated statements to the Department of Health, Education, and Welfare concerning possible requests for Federal matching assistance for educational television broadcast facilities.

The file has been reviewed and the information compiled as of January 28, 1963.

The following summarizes the State and local progress known to the HEW staff. Undoubtedly, there are many actions by State and local education agencies which have not been reported to HEW and will not be known until actual applications are received. These actions are not represented in this summary, which is based entirely on the information voluntarily provided the Department by State and local agencies.

I. REPORTED STATUS OF STATE ORGANIZATION

A. A State educational television authority has been established in a majority of States to plan, coordinate, and provide direction for State and local development:

1. Total number of States with educational television authorities: 42.
2. States included are—

Alabama	Massachusetts	Oklahoma
Arkansas	Michigan	Oregon
California	Minnesota	Pennsylvania
Colorado	Mississippi	Rhode Island
Connecticut	Missouri	South Carolina
Florida	Montana	South Dakota
Georgia	Nebraska	Tennessee
Hawaii	New Hampshire	Texas
Idaho	New Jersey	Utah
Iowa	New Mexico	Vermont
Kentucky	New York	Virginia
Louisiana	North Carolina	Washington
Maine	North Dakota	West Virginia
Maryland	Ohio	Wisconsin

B. Educational television stations are at present being operated by public schools, colleges, and universities, State educational television commissions, State departments of education, nonprofit corporations, and community associations.

1. Total number of stations (January 28, 1963): 76.
2. States where stations are located:

Alabama	Louisiana	Oklahoma
Arizona	Maine	Oregon
California	Massachusetts	Pennsylvania
Colorado	Michigan	Puerto Rico
Connecticut	Minnesota	South Dakota
District of Columbia	Missouri	Tennessee
Florida	Nebraska	Texas
Georgia	New Hampshire	Utah
Idaho	New Mexico	Virginia
Illinois	New York	Washington
Iowa	North Carolina	Wisconsin
Kentucky	Ohio	

C. Requests for application information have been received from the following States. Numbers of requests follow each State.

Alabama	13	Montana	8
Alaska	5	Nebraska	5
Arizona	5	Nevada	3
Arkansas	4	New Hampshire	3
California	39	New Jersey	8
Colorado	10	New Mexico	8
Connecticut	8	New York	34
Delaware	4	North Carolina	6
District of Columbia	42	North Dakota	9
Florida	12	Ohio	15
Georgia	8	Oklahoma	4
Hawaii	3	Oregon	11
Idaho	5	Pennsylvania	17
Illinois	15	Puerto Rico	4
Indiana	16	Rhode Island	4
Iowa	5	South Carolina	3
Kansas	7	South Dakota	6
Kentucky	5	Tennessee	7
Louisiana	8	Texas	18
Maine	7	Utah	7
Maryland	9	Vermont	6
Massachusetts	10	Virginia	10
Michigan	18	Washington	14
Minnesota	9	West Virginia	9
Mississippi	5	Wisconsin	7
Missouri	11	Wyoming	3

II. REPORTED STATUS OF STATION PLANNING

Station activation procedure exists at many levels of maturity, depending on the extent of financial, engineering, educational, and administrative planning which has been accomplished for particular projects.

A. Proposed new stations with planning sufficiently advanced so that construction could begin prior to June 30, 1964, provided Federal assistance is available.

1. Total number : 87 stations.
2. States in which located :

Alabama	Iowa	North Dakota
Arkansas	Kansas	Ohio
California	Kentucky	Oklahoma
Colorado	Maine	Pennsylvania
Delaware	Maryland	South Carolina
Florida	Michigan	Tennessee
Georgia	Minnesota	Utah
Hawaii	Missouri	Vermont
Idaho	Nebraska	Virginia
Illinois	New York	Washington
Indiana	North Carolina	Wisconsin

B. Proposed new stations planned for construction after July 1, 1964.

1. Total number : 144 stations.
2. States in which located :

Alabama	Indiana	North Carolina
Arkansas	Kansas	Ohio
California	Maine	Pennsylvania
Connecticut	Michigan	Rhode Island
Florida	Missouri	Tennessee
Georgia	Montana	Virginia
Hawaii	Nebraska	Washington
Idaho	New Mexico	Wisconsin
Illinois	New York	

C. Established stations known to be preparing for expansion in order to serve more people, over more areas, with a broader educational program.

1. Total number : 51 stations.
2. States in which located :

Alabama	Maine	Oregon
Arizona	Massachusetts	Pennsylvania
California	Michigan	Puerto Rico
Colorado	Minnesota	South Dakota
Connecticut	Missouri	Tennessee
District of Columbia	Nebraska	Texas
Florida	New Hampshire	Utah
Georgia	New Mexico	Virginia
Illinois	New York	Washington
Iowa	North Carolina	Wisconsin
Kansas	Ohio	
Kentucky	Oklahoma	

III. STATUS REPORT OF FINANCIAL ABILITY AT STATE AND LOCAL LEVEL

A. Many agencies have raised amounts of non-Federal matching in preparation for application under Public Law 87-447 and are expected to make application as soon as the Federal program begins.

1. Non-Federal matching has been reported as available now in amounts sufficient to require \$10,400,000 in Federal funds.

2. States with educational television agencies which have reported sizable amounts of non-Federal matching funds available now.

Alabama	Maine	South Carolina
California	Massachusetts	Tennessee
Florida	Minnesota	Texas
Georgia	Ohio	Virginia
Kentucky	Pennsylvania	

B. In several States, legislation is being initiated to provide for non-Federal matching funds.

1. Reported amount of State appropriations requests now under consideration : \$25,550,000.

2. States which have reported passage, preparation, or consideration of educational television legislation which includes the appropriation of State funds.

Alabama	Kansas	Oklahoma
Arkansas	Kentucky	Oregon
Florida	Maine	Pennsylvania
Georgia	Missouri	Tennessee
Hawaii	Nebraska	Texas
Idaho	New York	Vermont
Illinois	North Carolina	Wisconsin

IV. STATUS OF EDUCATIONAL TELEVISION ACTIONS BY THE FEDERAL COMMUNICATIONS COMMISSION

There has been a steady increase in the number of actions requested of the Federal Communications Commission as State and local agencies prepare for station activations.

Some State and local agencies have already received construction permits. No further substantial action by the FCC is expected to be necessary in most cases prior to grant action by the Secretary of Health, Education, and Welfare. A list of construction permits and pending applications is provided in attachment A.

Furthermore, State and local education agencies planning station activation have made application to the FCC to reserve particular channels for education. During calendar 1962 a total of 46 channels have been placed on reserve for education by the FCC in response to requests by education agencies. This is in addition to the 278 channel allocations previously reserved for education. Attachment B provides a list of channels reserved for education by State.

However, actions which have been taken by the FCC give only an incomplete picture of the existing interest of educators in station activation. Most agencies seeking to activate an educational television station feel they must wait

for grant approval by the Secretary of Health, Education, and Welfare before they are able to provide the FCC with assurance that they have the financial ability to construct a station. Therefore, it is expected that in a majority of cases, application for a channel will be made to the FCC at about the same time as application is made to HEW for a Federal matching grant. It is expected that in most cases the two applications will be processed by the two agencies at approximately the same time and the FCC and HEW actions announced simultaneously.

ATTACHMENT A

*Federal Communications Commission—Construction permits and applications,
Jan. 1, 1963*

City and State	Channel	Applicant or permittee	Call letters ¹
Mobile, Ala.....	42	Alabama Educational Television Commission	WEIQ.
Reading, Calif.....	² 9	Northern California Educational Television Association, Inc.	
San Mateo, Calif.....	14	San Mateo Junior College District.....	KCSM-TV.
Bridgeport, Conn.....	71	Connecticut State Board of Education.....	WTCB.
Greenwich, Conn.....	² 55	Board of education.....	
Norwich, Conn.....	63	Connecticut State Board of Education.....	WCTN.
Wilmington, Del.....	² 12	WHYY, Inc.....	(3).
Chatsworth, Ga.....	18	Georgia State Board of Education.....	WCLP-TV.
Columbus, Ga.....	28	do.....	WJSP-TV.
Honolulu, Hawaii.....	11	University of Hawaii.....	
Bloomington, Ind.....	30	Indiana University.....	
Lawrence, Kans.....	11	University of Kansas.....	
Orono, Maine.....	12	University of Maine.....	
Presque Isle, Maine.....	10	do.....	
Mount Pleasant, Mich.....	14	Central Michigan University.....	
St. Paul, Minn.....	² 17	Twin City Area Educational Television Corp.	
New Brunswick, N.J.....	19	New Jersey Department of Education.....	WTLV.
Rincon, N. Mex.....	12	Regents of New Mexico State University.....	
Binghamton, N.Y.....	46	University of the State of New York, State Education Department.	WQTV.
Buffalo, N.Y.....	23	do.....	WTYF.
Ithaca, N.Y.....	14	do.....	WIET.
New York, N.Y.....	25	do.....	WREG.
Rochester, N.Y.....	² 13	Rochester Area Educational Television Association, Inc.	
Rochester, N.Y.....	21	University of the State of New York, State Education Department.	WROH.
Syracuse, N.Y.....	43	do.....	WHTV.
Utica, N.Y.....	25	do.....	
Williamsville, N.Y.....	² 29	Board of Cooperative Educational Services, 1st Supervisory District of Erie County.	
Charlotte, N.C.....	42	Charlotte-Mecklenburg Board of Education...	
Athens, Ohio.....	20	Ohio University.....	WOUB-TV.
Kent, Ohio.....	55	Kent State University.....	
Newark, Ohio.....	28	Newark public schools.....	WGSF.
Providence, R.I.....	36	Board of Education, State of Rhode Island and Providence Plantations.	
Logan, Utah.....	² 12	Utah State University of Agriculture and Applied Science.	KUSU-TV.
Provo, Utah.....	² 11	Brigham Young University.....	KBYU-TV.
Milwaukee, Wis.....	36	Board of vocational and adult education.....	WMVT.

¹ Call letters given if a construction permit has been granted.

² Unreserved channel.

³ Construction permit granted but call letters not yet issued.

ATTACHMENT B

Federal Communications Commission—Educational television channel reservations (Jan. 1, 1963)

[99 VHF; 225 UHF; total, 324]

[*Educational stations on the air]

<i>Educational area</i>	<i>Channel No.</i>	<i>Educational area</i>	<i>Channel No.</i>
Alabama (16):		Florida (22)—Continued	
*Andalusia.....	2	Fort Pierce.....	31
Andalusia.....	29	*Gainesville.....	5
Auburn.....	56	*Jacksonville.....	7
*Birmingham.....	10	Lake City.....	33
Birmingham.....	48	Leesburg.....	26
Demopolis.....	18	Madison.....	21
Dothan.....	19	Marianna.....	17
Florence.....	21	*Miami.....	2
Huntsville.....	44	*Miami.....	17
Mobile.....	42	New Smyrna Beach.....	18
*Montgomery.....	26	Ocala.....	15
*Munford.....	7	Orlando.....	24
Munford.....	24	Palatka.....	17
Opelika.....	22	Panama City.....	30
Tuscaloosa.....	14	Pensacola.....	21
University.....	74	*Tallahassee.....	11
Alaska (4):		*Tampa-St. Petersburg.....	3
Anchorage.....	7	West Palm Beach.....	15
Fairbanks.....	9	Georgia (12):	
Juneau.....	3	Ashburn.....	23
Ketchikan.....	9	*Athens.....	8
Arizona (2):		*Atlanta.....	30
*Phoenix.....	8	Cochran.....	15
*Tucson.....	6	Columbus.....	28
Arkansas (3):		Dalton.....	18
Fayetteville.....	13	Dawson.....	25
Fort Smith.....	16	Macon.....	41
Little Rock.....	2	Pelham.....	14
California (10):		Savannah.....	9
Bakersfield.....	39	Warm Springs.....	66
Fresno.....	18	Wrens.....	20
Los Angeles.....	28	Hawaii (4):	
*Sacramento.....	6	Hilo, Hawaii.....	4
*San Bernardino.....	24	Lihue, Kauai.....	8
San Diego.....	15	Wailuku, Maui.....	10
*San Francisco-Oakland.....	9	Honolulu, Oahu.....	11
San Jose.....	54	Idaho (2):	
San Mateo.....	14	Boise.....	4
Stockton.....	42	Moscow.....	15
Colorado (4):		Illinois (8):	
Boulder.....	12	*Carbondale.....	8
Colorado Springs.....	17	*Champaign-Urbana.....	12
*Denver.....	6	*Chicago.....	11
Pueblo.....	8	Chicago.....	20
Connecticut (3):		De Kalb.....	67
Bridgeport.....	71	Moline (see Davenport, Iowa)	
*Hartford.....	24	Peoria.....	37
Norwich.....	63	Rockford.....	45
Delaware (1): Wilmington.....	59	Rock Island (see Davenport, Iowa)	
District of Columbia (1):		Springfield.....	66
*Washington.....	26	Indiana (9):	
Florida (22):		Bloomington.....	30
Boca Raton.....	45	Evansville.....	9
Bradenton.....	28	Fort Wayne.....	27
Cocoa.....	14	Gary.....	66
Fort Myers.....	16	Indianapolis.....	20

Federal Communications Commission—Educational television channel reservation (Jan. 1, 1963)—Continued

<i>Educational area</i>	<i>Channel No.</i>	<i>Educational area</i>	<i>Channel No.</i>
Indiana (9)—Continued		Minnesota (3) :	
Lafayette.....	47	Appleton.....	10
Muncie.....	55	Duluth-Superior, Wisconsin.....	8
South Bend-Elkhart.....	52	*Minneapolis-St. Paul.....	2
Terre Haute.....	57	Mississippi (5) :	
Iowa (6) :		Biloxi.....	44
Cedar Rapids.....	26	Jackson.....	19
Davenport (Rock Island and Moline, Ill.).....	30	Meridian.....	36
*Des Moines.....	11	State College.....	2
Iowa City.....	12	University.....	20
Sioux City.....	30	Missouri (4) :	
Waterloo.....	22	*Kansas City.....	19
Kansas (8) :		St. Joseph.....	36
Chanute.....	21	*St. Louis.....	9
Hutchinson.....	8	Springfield.....	26
Lakin.....	3	Montana (6) :	
Lincoln.....	9	Billings.....	11
Oakley.....	33	Bozeman.....	9
Topeka.....	11	Butte.....	7
Topeka.....	48	Great Falls.....	23
Wichita.....	22	Miles City.....	6
Kentucky (11) :		Missoula.....	11
Ashland.....	78	Nebraska (7) :	
Bowling Green.....	17	Albion.....	25
Covington.....	54	Alliance.....	13
Hazard.....	19	Bassett.....	7
Lexington.....	46	Lexington.....	3
*Louisville.....	15	*Lincoln.....	12
Madisonville.....	26	North Platte.....	9
Morehead.....	36	Omaha.....	16
Murray.....	33	Nevada (2) :	
Pikeville.....	14	Las Vegas.....	10
Somerset.....	29	Reno.....	5
Louisiana (4) :		New Hampshire (2) :	
Baton Rouge.....	34	*Durham.....	11
Lake Charles.....	14	Hanover.....	20
*Monroe.....	13	New Jersey (6) :	
*New Orleans.....	8	Andover.....	69
Maine (5) :		Camden.....	80
*Augusta.....	10	Freehold.....	74
Bangor.....	16	Hammonton.....	70
Orono.....	12	Montclair.....	77
Portland.....	47	New Brunswick.....	19
Presque Isle.....	10	New Mexico (7) :	
Maryland (1) : Baltimore.....	66	*Albuquerque.....	5
Massachusetts (3) :		Gallup.....	8
Amherst.....	82	Hatch.....	12
*Boston.....	2	Raton.....	52
North Adams.....	80	Roswell.....	3
Michigan (14) :		Santa Fe.....	9
Alpena.....	6	Silver City.....	10
Ann Arbor.....	26	New York (12) :	
Bay City.....	19	*Albany-Schenectady-Troy.....	17
*Detroit.....	56	Albany-Schenectady-Troy.....	23
East Lansing.....	24	Binghamton.....	46
Escanaba.....	49	Buffalo.....	23
Flint.....	22	Elmira.....	30
Grand Rapids.....	17	Ithaca.....	14
Houghton.....	25	Malone.....	66
Kalamazoo.....	46	New York.....	25
Marquette.....	35	Poughkeepsie.....	83
Mount Pleasant.....	14	Rochester.....	21
Sault Sainte Marie.....	34	Syracuse.....	43
Traverse City.....	26	Utica-Rome.....	25

Federal Communications Commission—Educational television channel reservation (Jan. 1, 1963)—Continued

<i>Educational area</i>	<i>Channel No.</i>	<i>Educational area</i>	<i>Channel No.</i>
North Carolina (8) :		Texas (18) :	
Asheville.....	56	Amarillo.....	2
*Chapel Hill.....	4	Austin.....	18
Charlotte.....	42	Beaumont-Port Arthur.....	37
Durham.....	40	College Station.....	48
Greensboro.....	51	Corpus Christi.....	16
Raleigh.....	22	*Dallas.....	13
Wilmington.....	35	Denton.....	2
Winston-Salem.....	32	El Paso.....	7
North Dakota (6) :		Fort Worth.....	26
Bismarck.....	24	Galveston.....	47
Dickinson.....	17	*Houston.....	8
Fargo.....	13	Laredo.....	15
Grand Forks.....	2	*Lubbock.....	5
Minot.....	6	San Angelo.....	23
Williston.....	34	*San Antonio.....	9
Ohio (10) :		Texarkana.....	18
Akron.....	55	Waco.....	28
*Athens.....	20	Wichita Falls.....	16
Bowling Green.....	70	Utah (5) :	
*Cincinnati.....	48	Logan.....	46
Cleveland.....	25	*Ogden.....	18
*Columbus.....	34	Ogden.....	24
Dayton.....	16	Provo.....	28
Newark.....	28	*Salt Lake City.....	7
*Oxford.....	14	Vermont (4) :	
*Toledo.....	30	Burlington.....	22
Oklahoma (7) :		Rutland.....	49
Enid.....	27	St. Johnsbury.....	30
Lawton.....	28	Windsor.....	26
Muskogee.....	45	Virginia (5) :	
Norman.....	37	Blacksburg.....	60
*Oklahoma City.....	13	Charlottesville.....	45
Stillwater.....	69	Norfolk-Portsmouth-Newport	
*Tulsa.....	11	News.....	21
Oregon (4) :		Richmond.....	23
*Corvallis.....	7	Roanoke.....	33
Eugene.....	20	Washington (10) :	
*Portland.....	10	Ellensburg.....	65
Salem.....	18	Kennewick-Richland-Pasco.....	41
Pennsylvania (5) :		Omak-Okanogan.....	35
Erie.....	41	*Pullman.....	10
*Philadelphia.....	35	*Seattle.....	9
*Pittsburgh.....	13	Spokane.....	7
*Pittsburgh.....	16	*Tacoma (Lakewood Center).....	56
State College.....	69	Walla Walla.....	50
Rhode Island (1) :		Wenatchee.....	45
Providence.....	36	*Yakima.....	47
South Carolina (4) :		West Virginia (4) :	
Charleston.....	7	Charleston.....	43
Clemson.....	68	Huntington.....	53
Columbia.....	31	Morgantown.....	24
Greenville.....	29	Wheeling.....	57
South Dakota (4) :		Wisconsin (12) :	
Brookings.....	8	Adams.....	58
Pierre.....	22	Chilton.....	31
Sioux Falls.....	44	Eau Claire.....	19
*Vermillion.....	2	La Crosse.....	32
Tennessee (8) :		*Madison.....	21
Chattanooga.....	55	Marinette.....	38
Cookeville.....	69	*Milwaukee.....	10
Crossville.....	77	*Milwaukee.....	36
Knoxville.....	20	Park Falls.....	18
Lexington.....	11	Richland Center.....	66
*Memphis.....	10	Shell Lake.....	30
*Nashville.....	2	Superior (see Duluth, Minn.).....	
		Wausau.....	46

Federal Communications Commission—Educational television channel reservation (Jan. 1, 1963)—Continued

<i>Educational area</i>	<i>Channel No.</i>	<i>Educational area</i>	<i>Channel No.</i>
Wyoming (1):		Puerto Rico (1):	
Laramie-----	8	*San Juan-----	6

In addition to the educational television stations operating on channels reserved for education, there are some educational television stations operating on nonreserved channels.

Educational television stations on nonreserved channels

<i>Educational area</i>	<i>Channel No.</i>	<i>Educational area</i>	<i>Channel No.</i>
*Waycross, Ga.-----	8	*Mayaguez, P.R.-----	3
*East Lansing, Mich.-----	10	*Richardson, Tex.-----	23
*Buffalo, N.Y.-----	17	Ogden, Utah-----	9
*New York, N.Y.-----	13	*Norfolk, Va.-----	15
*New York, N.Y.-----	31	*Tacoma, Wash.-----	62
Oklahoma City, Okla.-----	25		

ROLE OF FCC

Mr. MICHEL. These people would make a formal request with FCC too, would they not?

Mr. KELLY. Well, the FCC must have licensed them before they are eligible. But they could apply to both of us at the same time, or they could apply to us while they have a license request pending with the FCC.

One of the organizational problems associated with this program was to assure that we had a day-to-day coordination with the FCC. For this purpose, the Secretary designated the Under Secretary to handle it and we have put on a staff assistant to the Under Secretary, to handle this coordination with other agencies.

Mr. MICHEL. Are there any special kind of conditions laid down by the FCC to you folks, as to whether or not you do or do not approve of the particular request?

Mr. CELEBREZZE. I don't recall of any but I would have to check with the Under Secretary on that.

Mr. KELLY. We will be appearing on that item toward the end of all the items. I might say, however, that the law specifies that we are to take into consideration a number of things, such as the largest number of persons to be served, so this is built into our regulations, each of which is worked out with FCC. The purpose is to really prevent the Federal Government from saying, with the one hand, "Yes, you ought to go ahead," with the other hand, "No. We won't let you." So we are trying to coordinate it.

Mr. MICHEL. I hope we will have an opportunity during the hearing to explore this a little bit more fully so that some of us might be satisfied in our own minds, that we don't have a situation developing where we have a czar—maybe not in the Department of Education, but in the FCC deciding for himself what is good and what is bad for the American people.

Mr. KELLY. You will have a full opportunity to explore it.
(Off the record discussion.)

INCREASED PERSONNEL

Mr. MICHEL. Again, for the record, specifically we are talking about increased personnel, 1964 over 1963.

Mr. KELLY. In 1963, the Department has an authorized strength of 79,736 positions. Under the legislation which is now on the statute books, the budget for existing legislation including the extension of expiring legislation, calls for 84,458 positions for 1964, an increase of 4,722 positions.

Specifically, 635 of those positions are in the Food and Drug Administration; 138 are in the Office of Education; 21 are in the Office of Vocational Rehabilitation; 723 are for community health activities of the Public Health Service; 299 are for environmental health activities; 229 are for the Bureau of Medical Services; 469 positions are for the National Institutes of Health; 50 of the positions are for St. Elizabeths Hospital; and 1,791 positions are for the Bureau of Old Age and Survivors Insurance for increased workload; 18 positions are in the new Welfare Administration; 27 positions are in the Office of the Secretary; 10 positions are in the Office of Field Administration; 21 positions are in the General Counsel's Office; and 1 is for the juvenile delinquency control program.

That accounts for the total.

Mr. MICHEL. And all these increases would represent what, in dollars and cents?

Mr. KELLY. I do not have a specific figure, but my guess is that it would be a little over \$27 million.

Mr. MICHEL. Would you check that out and put the precise figures, into the record, which would give us a total in dollars and cents of those new additional employees that the Department requests?

Mr. KELLY. Yes, sir.

(The information follows:)

The estimated cost in fiscal year 1964 of the 4,722 new employees requested under existing legislation is \$27,309,200 (including 1,791 Social Security Administration personnel and \$4,547,400 financed through the OASDI trust fund). This estimate is a first-year cost and, in addition to personal services at a lapsed rate, includes other related costs such as supplies, equipment, travel, etc., normally associated with new staffing.

PUBLIC ASSISTANCE GRANTS

Mr. MICHEL. Mr. Secretary, under "Welfare administration, and Grants to the States for Public Assistance," we see that in 1964, or the estimate for 1964, is \$2,950 million.

Certainly, that is a sizable chunk of cash, and it has been continually going up every year.

Mr. Secretary, as a former public administrator at the local level, knowing what is involved at the grassroots level, do you get a different picture from where you sit now, and where you were before? Do you have any different feelings or views about this whole problem.

Can anything more be done locally?

Do we have to depend indefinitely on the Federal Government to put up this sizable chunk?

Mr. CELEBREZZE. I think that the demands have become greater from the local communities for greater assistance in public assistance programs.

I think I explained yesterday that certain factors, such as the mobility of population, have placed hardships on urban communities, particularly the industrial communities. When persons come in with a shift in population, you find they don't have the necessary skills. They have not received the proper education, so that the local community has to pick these things up even though it had no great part in denying or in not properly educating or properly acclimating these people to what we call urban living.

There is a tremendously heavy burden.

There are limitations in almost every State; you have to be a resident there about 1 year in order to get assistance, but the requirement varies. In some states, you have to be a resident 3 years.

Nevertheless, it puts a heavy burden on the industrial community. You had a tremendous shift in population coming into industrial areas during the World War II years, coming from all over the country. They just stayed there, so that it has put a tremendous burden on the local communities.

Now, approximately 90 percent of what we spend for public assistance, of course, goes back to local communities. It goes to the States, and the States handle it in a manner which they see fit, subject to certain standards that we set. So that we are not, in my opinion, going to really lick this public assistance program until we begin to accomplish some of the things which we are now trying to do, which the Congress has been trying to do.

The Manpower Training Act, the Juvenile Delinquency Act, and the Youth Activities Act, which we are working on will help until such time as we catch up with eliminating the backlog of unskilled persons resulting from the technological changes, and the effects of automation in this country. The one problem which we have not been able to lick, and it has been present under the Democratic and Republican administrations, is the unemployment problem. It is still facing us, and until we come up with some sort of a formula, until we raise the economic level and until we raise our gross national product, until we get industry to invest more, until we can reduce this unemployment problem, the public assistance rolls will be heavy.

Now, they are going up also, because Congress in 1962, with the recommendation of the administration, liberalized many of these programs. Of course, when you liberalize more programs, more people become eligible for them. As a result, your cost factor goes up.

IMPORTANCE OF EDUCATING PEOPLE

I would say, Mr. Congressman, in my belief, and this is purely a projection, that if we do in this area of public assistance—and I am not talking about the Department as a total—but in this area of public assistance, that if we do the kind of job that I believe we are capable of doing in the next 2, 3, 4, or 5 years, in reeducating our people, or actually, in some instances, retraining them for the higher skills that are required, if the educational bill for example, that we have presented, or any part of it goes through, then our assistance rolls should go down; because these people will have acquired the necessary skills with which to hold a higher degree of employment or with which to qualify for employment. If we do that kind of a job, then I can see in the future, either a complete reduction, or at least a leveling off, of the public assistance program in the sense that I am talking about now: direct benefits, and things of that nature. I am not talking about the pension system under the social security program. If that, then, is related to a higher level of employment, then I think we would for the first time in a great many years—at least since the 1930's that I know of—begin to lick the problem which has been deviling us for a great many years.

Mr. MICHEL. Of course, for most of these people, it will be a considerable number of years before we really get any benefit from those trained.

Mr. CELEBREZZE. Only to this extent: the manpower development and training program is a short term program. At least, you can get a significant number of them over into the employment side.

Mr. MICHEL. Do you think with that program, we can make a sufficient dent in the number of people who, no matter what we do for them, are going to sit on their haunches?

Mr. CELEBREZZE. Yes, you have that problem. We had it on the local level, too, but there again it is a question of education. It is a question of instilling in them a little initiative, which you can do if you ever get them into an adult education class that many cities conduct and that many States conduct too. It is a problem.

So I do think two things have to go together. Of course, there is not much value in retraining people if there are no jobs available for them. So you also have to get industry and commerce to expand, to invest, and to create jobs.

Mr. MICHEL. This whole area of public aid, particularly in Illinois, has been a real sore subject in this past year. We have found some really serious deficiencies in the program; but another thing that distresses us is that Illinois, an industrial State, ranks 50th in the United States, in getting back in return from the Federal Government, for what it contributes by way of taxes.

BREAKDOWN OF PUBLIC ASSISTANCE GRANTS BY STATES

Would you supply for the record, a breakdown of this \$2,950 million by States—the proportionate share?

Mr. CELEBREZZE. We will furnish that for you.

(The information follows:)

Public assistance: Estimated Federal share of State expenditures for fiscal year 1964¹

States and other jurisdictions	Old-age assistance	Medical assistance for the aged	Aid to families with dependent children	Aid to the blind	Aid to the permanently and totally disabled	Total
Alabama.....	\$59,957,000	\$815,000	\$10,922,000	\$980,000	\$6,447,000	\$78,821,000
Alaska.....	798,000	-----	1,257,000	56,000	-----	2,111,000
Arizona.....	7,600,000	-----	11,795,000	527,000	718,000	20,700,000
Arkansas.....	28,733,000	1,360,000	5,560,000	987,000	4,053,000	40,693,000
California.....	166,577,000	44,999,000	106,463,000	7,548,000	14,351,000	339,938,000
Colorado.....	31,762,000	1,859,000	11,042,000	155,000	4,185,000	49,003,000
Connecticut.....	9,539,000	8,150,000	10,472,000	168,000	1,773,000	30,102,000
Delaware.....	544,000	-----	2,028,000	147,000	348,000	3,067,000
District of Columbia.....	2,008,000	740,000	7,584,000	114,000	1,916,000	12,362,000
Florida.....	40,788,000	-----	18,353,000	1,342,000	8,922,000	69,405,000
Georgia.....	44,792,000	-----	16,938,000	1,680,000	14,885,000	78,295,000
Guam.....	30,000	15,000	83,000	2,000	21,000	151,000
Hawaii.....	777,000	727,000	3,086,000	58,000	704,000	5,352,000
Idaho.....	3,919,000	2,103,000	2,951,000	82,000	1,408,000	10,463,000
Illinois.....	45,257,000	6,189,000	62,708,000	1,699,000	16,595,000	132,448,000
Indiana.....	15,181,000	-----	14,128,000	1,104,000	1,435,000	31,848,000
Iowa.....	23,611,000	11,846,000	11,846,000	821,000	598,000	36,876,000
Kansas.....	18,887,000	721,000	8,506,000	344,000	3,173,000	31,631,000
Kentucky.....	29,316,000	1,472,000	21,943,000	1,364,000	6,301,000	60,396,000
Louisiana.....	90,397,000	1,216,000	27,789,000	1,709,000	12,089,000	133,290,000
Maine.....	7,248,000	865,000	6,181,000	242,000	1,782,000	16,318,000
Maryland.....	5,482,000	1,913,000	14,640,000	222,000	4,387,000	26,644,000
Massachusetts.....	42,531,000	18,031,000	18,031,000	1,268,000	7,859,000	95,215,000
Michigan.....	34,925,000	25,526,000	33,152,000	632,000	4,079,000	84,269,000
Minnesota.....	32,274,000	11,181,000	23,455,000	631,000	1,866,000	47,226,000
Mississippi.....	30,200,000	-----	26,544,000	1,468,000	6,079,000	47,290,000
Missouri.....	9,979,000	-----	26,061,000	2,231,000	10,424,000	99,705,000
Montana.....	3,737,000	-----	2,316,000	193,000	1,009,000	7,273,000
Nebraska.....	9,428,000	-----	4,062,000	432,000	1,665,000	13,617,000
Nevada.....	1,681,000	537,000	1,438,000	113,000	390,000	3,709,000
New Hampshire.....	3,472,000	290,000	1,460,000	144,000	3,960,000	43,075,000
New Jersey.....	8,802,000	7,878,000	21,887,000	548,000	3,960,000	20,971,000
New Mexico.....	7,392,000	935,000	10,163,000	216,000	2,265,000	20,971,000
New York.....	42,123,000	59,175,000	103,299,000	2,179,000	25,959,000	232,735,000
North Carolina.....	23,676,000	-----	25,229,000	2,734,000	14,989,000	66,628,000
North Dakota.....	4,918,000	3,891,000	2,426,000	61,000	997,000	12,253,000
Ohio.....	55,835,000	-----	40,277,000	2,087,000	10,712,000	108,911,000
Oregon.....	64,140,000	1,121,000	21,481,000	1,087,000	8,460,000	96,289,000
Pennsylvania.....	11,100,000	730,000	8,149,000	156,000	3,668,000	23,803,000
Puerto Rico.....	28,657,000	10,177,000	78,893,000	3,270,000	132,554,000	232,554,000
Rhode Island.....	2,145,000	-----	5,405,000	109,000	1,451,000	10,128,000
Rhode Island.....	4,332,000	1,018,000	6,357,000	69,000	2,096,000	12,854,000
South Carolina.....	13,175,000	1,786,000	6,823,000	804,000	4,665,000	27,253,000

South Dakota-----	6,043,000	814,000	3,825,000	88,000	859,000	10,815,000
Tennessee-----	24,131,000	-----	19,053,000	1,122,000	6,447,000	51,567,000
Texas-----	131,136,000	-----	17,828,000	3,098,000	4,972,000	157,034,000
Utah-----	4,979,000	2,652,000	5,172,000	106,000	2,766,000	15,075,000
Vermont-----	3,860,000	825,000	1,587,000	60,000	672,000	7,004,000
Virgin Islands-----	146,000	35,000	108,000	5,000	38,000	332,000
Virginia-----	8,096,000	758,000	12,193,000	672,000	4,927,000	26,946,000
Washington-----	30,951,000	1,079,000	14,289,000	398,000	5,230,000	51,947,000
West Virginia-----	7,928,000	5,948,000	35,571,000	412,000	4,106,000	53,965,000
Wisconsin-----	22,339,000	-----	11,081,000	525,000	3,318,000	37,463,000
Wyoming-----	1,886,000	-----	978,000	34,000	424,000	3,322,000
Total amount distributed by State-----	1,360,500,000	209,500,000	937,000,000	48,300,000	264,000,000	2,819,300,000
Amount distributed by program but not distributed by State: ²						X
Adult categories:						
Single program-----	25,500,000	-----	-----	700,000	4,800,000	31,000,000
Earned income exemption in OAA-----	45,600,000	-----	-----	-----	-----	45,600,000
Considering expenses of employment in determining need-----	3,300,000	-----	3,700,000	-----	-----	3,300,000
Preventive and rehabilitative services-----	10,600,000	-----	25,000,000	1,500,000	5,200,000	42,300,000
Staff training-----	900,000	-----	1,600,000	100,000	200,000	2,800,000
Total-----	85,900,000	-----	30,300,000	2,300,000	10,200,000	128,700,000
Demonstration projects-----	-----	-----	-----	-----	-----	2,000,000
Total requirements for 1964-----	1,446,400,000	209,500,000	967,300,000	50,600,000	274,200,000	2,950,000,000

¹ Excludes \$21,000,000 representing the Federal share of collections and adjustments for prior years that the States had available for expenditures during the year.

² No data available as a basis for distribution by State.

COORDINATION OF PROGRAMS FOR THE AGING

Mr. MICHEL. Just this morning, there was a release by the Department of Health, Education, and Welfare on "A Guide to Federal Financial Assistance Programs Which Can be a Source of Grant, Loan, or Mortgage Insurance Aid." The project for the elderly highlights the 100th issue of Aging, a monthly news magazine, in the Office of Aging, published today.

I notice the next sentence says: "Twenty-six programs in eight Federal agencies are listed."

Does this strike you—as it strikes me, Mr. Secretary—of how broad a field and how far removed these activities are?

Are they properly coordinated?

Do we have our finger on all of them or have we just gone hog wild in this connection with every little department and agency doing some little facet here, to try and do something to improve the lot of the aging population?

Aren't we just building up another big bureaucracy?

Mr. CELEBREZZE. I think yesterday I went into that, in effect, in telling what we had done, and how we had reorganized the work of the President's Council on Aging. It goes across many departments' programs.

Mr. MICHEL. Well, Mr. Secretary, for the record, I would say that I regret that I was not here yesterday when you went into that particular matter. I will be sure to take a look at that in the record.

Mr. CELEBREZZE. But let me say this to you. I think this is no reflection on any other Secretary, because we all have—all administrators have their own methods of working, but I think that we have now perhaps a better degree of coordination in the Department, through regular staff meetings, through regular consultations, which is the manner in which I like to work, through the process of calling the heads of these Agencies in and sitting down and discussing problems with them.

Now, it is true that it is a difficult thing to keep your finger on all matters which are going on, because many of these programs are administered by States rather than the Federal Government. We are supposed to supervise them or guide them with certain rules and regulations, which we send out; but the actual doing of the work is carried out on a State level. It is also true, that as we get into the problem much deeper, sometimes we do find States which are not geared either by a professional staff or an adequate staff to handle these programs. We sometimes get into difficulty on that.

Mr. COHEN. Mr. Michel, may I say this is part of our program, developing a more effective program in the field of the aging. This whole series that you are referring to is part of our stepped up program of making available to the States and to other people exactly what is the law now that they can take advantage of. I think the President mentioned it because it illustrates the vigor and enthusiasm of our program on aging.

Mr. FOGARTY. I disagreed with these people yesterday on the program for the aging, and I still am not convinced that they are on the right track.

Mr. CELEBREZZE. I think the President's message on aging will come out tomorrow.

Mr. COHEN. Would you not agree, insofar as these programs are the law of the land, we have a responsibility to make it available to the public?

Mr. FOGARTY. Well, that is nothing to brag about. I think anyone could get these things out to the States, but what are the States going to do about it? They are not going to do anything about it in most cases.

Mr. COHEN. Well, what could we do? It is like the Kerr-Mills program. We can't make them put up the money if they don't do it.

MIDWEST WATER POLLUTION CONTROL LABORATORY

Mr. MICHEL. Mr. Secretary, I would like to turn to something a little more personal.

Out in my own district, you will recall, that our local association of commerce was quite active in trying to get the water pollution control laboratory for the Midwest situated there, in Peoria. And in our several exchanges of correspondence, I was obviously quite distressed, when we had a site survey made in Peoria on January 3 and 4—very ably done, I might say, by Mr. Rademacher—and it impressed all our local officials very much. Those dates fell on Thursday and Friday, and then there was Saturday and Sunday, and on January 7, Monday, the report was received, reviewed, supposedly, by the Department here, and the selection of Ann Arbor made on that same day; and finally on January 11 the public announcement was made.

Well, we just didn't feel that we had gotten a fair shake because of the close proximity at the time of the announcement, and all the procedure which we had to go through, in making that selection.

And further, I find, when you responded to my questions on the—

Mr. CELEBREZZE. February 13.

Mr. MICHEL. The February 13 letter. Yes. That the site surveys have gotten underway, real early in the year 1962 as a matter of fact, and that the Ann Arbor location was surveyed as far back as March 2, 1962. How many sites actually, were under consideration?

Mr. KELLY. Eighteen, sir.

Mr. MICHEL. Eighteen; and prior to your visiting the Peoria site, what was the last site actually visited?

Mr. CELEBREZZE. I don't have the dates of the last site on my memorandum but I can give you the names of all the sites.

Mr. MICHEL. Would you simply supply that for the record?

Mr. CELEBREZZE. Yes, sir.

Mr. MICHEL. And also the dates—the dates on which each site was surveyed, whatever consideration you were going to give it, at the time.

Mr. CELEBREZZE. Yes; we will supply it for the record.

(The information follows:)

1. *Midwest Regional Laboratory, Ann Arbor, Mich.*

(a) List of 18 sites considered for laboratory and dates sites surveyed:

Ann Arbor, Mich., March 2, 1962.
 Madison, Wis., March 22, 1962.
 Lafayette, Ind., March 23, 1962.
 St. Louis metropolitan area, April 3, 1962.
 Columbia, Mo., April 4, 1962.
 Lafayette County, Mo., April 7, 1962.
 Kansas City, Mo., April 8, 1962.
 Kansas City, Kans., April 8, 1962.
 St. Joseph, Mo., April 9, 1962.
 Chicago metropolitan area, April 10, 1962.
 Edwardsville, Ill., May 18, 1962.
 Duluth, Minn., June 18, 1962.
 Minneapolis, Minn., June 20, 1962.
 Springfield, Mo., July 9, 1962.
 Rolla, Mo., July 10, 1962.
 Hannibal, Mo., July 11, 1962.
 Manhattan, Kans., August 17, 1962.
 Peoria, Ill., January 3, 1963.

(b) Consideration given each site:

- (1) Proximity to universities, institutes, and other operating research installations covering a broad spectrum of scientific disciplines and activities.
- (2) Proximity to Federal, State, and other agencies having related responsibilities in water resources development.
- (3) Proximity to major regional water resources problems.
- (4) Availability of transportation facilities, including railroad, air, and shipping.
- (5) Special library facilities suitable for scientific and technical research needs.
- (6) Availability of needed technical and nontechnical personnel of the required quantity and quality.
- (7) Public utilities, including communications, power, water supply, and waste disposal.
- (8) The community: Social, cultural, and general living conditions.

MR. MICHEL. And I must say, for the record, Mr. Secretary, that possibly we were deficient in getting our proposal to you.

MR. CELEBREZZE. I might say, you submitted a very good site. However, in picking out the site, it is a very difficult thing, when there are so many people interested in having that laboratory in their particular section. The general locations that are prescribed by the legislation which was passed, the Water Pollution and Control Amendments of 1961, was one laboratory in each of seven regions. You can see the difficulty when you are trying to apportion seven facilities throughout the whole country. Someone is going to be displeased with what you do, and I can understand their position.

CRITERIA FOR REGIONAL WATER LABORATORY SITES

Now, there was a set of criteria developed by the Public Health Service to be used in evaluating the various proposed locations within these seven areas, which were the Northeast, Middle Atlantic, Southeast, Midwest, Southwest, Northwest, and Alaska. These criteria included such factors as—

- (1) Proximity to universities, institutes, and other research installations;

(2) Proximity of Federal, State, and other agencies having related responsibilities in water resources development;

(3) Proximity to major regional water resource problems; and

(4) Availability of transportation facilities, libraries, professional personnel, public utilities, and other community resources.

Representatives of the Public Health Service visited personally the various sites proposed, and the final decision was then based on all available information. I think Peoria was the last one that came in. It came in about a year after the Michigan one had come in—almost a year.

Now, we then also set up a committee composed of educators—

Mr. KELLY. You mean the Committee on Institutional Cooperation. We did not set it up.

Mr. CELEBREZZE. Yes. The Committee on Institutional Cooperation which is an important group of course, in the University of Chicago. They met, and the representatives on the Committee were representatives of the Big Ten universities. They recommended that all the following were on an equal basis, as far as concerns the facilities. The University of Michigan, and the University of Wisconsin, the University of—

Mr. KELLY. Michigan, Northwestern, Purdue.

Mr. CELEBREZZE. Northwestern and Purdue University. Yes.

Now, all this material then went to the Surgeon General's Office. He then submitted the material to the Secretary with a recommendation. The Surgeon General's recommendation was that, since the Great Lakes area contains the most pressing current water resource problems in the Midwest, a location central to this watershed would appear to be the most desirable.

Well, any of the four universities endorsed by the Committee on Institutional Cooperation made a suitable environment. Of the four universities, the University of Michigan at Ann Arbor is the most centrally located and in our opinion it is the location best suited for this laboratory.

We have had difficulty with the location of these laboratories, insofar as the number of people who wanted them in their area were so great, in comparison to the number of facilities that were available. But we did explore the possibilities of Peoria.

Mr. MICHEL. We appreciate that the privately endowed universities, with the exception of a very few, don't have all the resources that the Big Ten schools do. Nevertheless, we feel Bradley University in this instance surely measures up to as high a standard academically as any of the Big Ten Schools.

Of course, the thing that distressed me, I guess, more than anything, is that obviously this thing had pretty well been zeroed in before anyone really came to Peoria.

I think under those circumstances it might just as well have been better to say:

We have gone through all these mechanics over a period of such and such a time. We pretty well got it narrowed down to such and such an institution. Out of deference, courtesy, to you, we would make it if you insisted, Mr. Congressman, but I think we would be simply spinning our wheels because we have our mind pretty much made up.

Going through the motions, of course, we put our folks through a lot of extra trouble, and apprehension, and then to know that it was probably just for window dressing, is kind of hard to take. And so I think, for the record, we should let you know of our position on it.

Mr. CELEBREZZE. I think they were sincere. While we admit they were extremely late in their application, they were sincere in giving it, and I think one of the controlling elements was the Surgeon General's recommendation to me.

As I say, it is a difficult decision to make.

ENFORCEMENT ACTIONS IN INTERSTATE WATER POLLUTION CONTROL

Mr. MICHEL. Mr. Secretary, are you aware that the New Hampshire Legislature has adopted a resolution calling for you to withdraw your intervention in the Androscoggin River Valley in New Hampshire-Maine?

Mr. CELEBREZZE. Yes. The new Governor of New Hampshire sent in one letter complimenting us for getting into it; and then later on, I understand he sent another letter to the opposite effect. Nevertheless, we have definite, set responsibilities in this water pollution field which we are required to do according to law. Whenever we find, for example, problems of an interstate, as compared to intrastate, nature, we become involved. However, the policy decision in the Secretary's office has always been to go in and seek cooperation before you take your ultimate step, and since I have been in, at least, no one has been taken to court.

Let me give you the long procedures that we go through.

Now, I can call the conference when I am asked by the Governor of the State or a water pollution control agency, when the pollution involved is confined to navigable waters within the State. I can call a conference on that basis.

I must call a conference—and by “must,” I mean the Secretary of Health, Education, and Welfare when requested to do so by a Governor of a State or a State water pollution control agency—when the pollution involved is interstate in nature. That is, the pollution takes place in one State, and has an adverse effect—its adverse effects are felt in another State.

I must, this is under the law, call a conference when, on the basis of reports, surveys, studies, I have reason to believe that any interstate pollution is endangering the health and welfare of a person in a State other than that in which the pollution is occurring.

We have many of those problems. It has been under this latter authority that most of our conferences have been called.

A conference is a formal proceeding in the sense that a record is made; but it is not a court proceeding as we know it, because witnesses are not sworn; nor are they subject to cross-examination.

The States and the interstate agencies affected are invited. This is purely on invitation to participate in the conference and to appoint conferees. We ask them to designate people to sit with us as we sit around the table and discuss things.

Usually, in such a conference there has been unanimous agreement. This is usual procedure; agreement by all the conferees as to the nature and extent of pollution and the corrective steps that should be taken.

Sometimes, a matter can be wrapped up in one conference, or adjudicated in one conference, but not very often. Usually, there are other conferences at later dates to make certain that the agreed on program of corrective action is being pursued.

However—and this is all set up by law for me—if, following a conference and a passage of sufficient time—a sufficient time is approximately 6 months—we can determine, and I become persuaded, that adequate corrective steps to abate pollution are not being taken, then I have the authority under the law to call a hearing on the matter. This hearing is conducted by a Board of at least five persons, who are appointed by the Secretary of Health, Education, and Welfare. One representative on the Hearing Board must be from the Department of Commerce, and less than a majority of the members can be from the Department of HEW.

This hearing is a formal hearing. This is a formal, administrative hearing where the witnesses are sworn; there is cross-examination and all the other things that go with a formal hearing.

At the conclusion of the hearing, the Hearing Board then submits a report and recommendations to the Secretary of HEW, and if, after a reasonable time, the recommended corrective action has not been taken, then the Secretary has the right to turn the file over to the Attorney General for appropriate action in the Federal courts.

Now, in the case of intrastate pollution—

Mr. MICHEL. Just as an example, in the interstate, you say someone from Commerce. Who normally, would that be?

Mr. KELLY. There has not been such a hearing.

Mr. CELEBREZZE. We have never got to this one point.

Mr. MICHEL. I see.

Mr. CELEBREZZE. Generally, these matters have been adjudicated by agreement among all parties concerned, and we have never yet had a court proceeding. That is why I stated I had never gone to court proceedings, but in interstate pollution problems, these are the powers that we have.

INTRASTATE ENFORCEMENT PROCEDURES

In the intrastate field, I cannot turn the file over to the Attorney General for court action until I first obtain written consent from the Governor of the State in which the pollution is occurring. Unless the Governor gives me written consent to proceed and turn the file over, we have no right to do it. In other words, I cannot start enforcement proceedings in a case where the pollution is happening, within a State, and the adverse effects are limited to the same State, where they don't cross State boundaries, unless I am asked to do so by the Governor; and I cannot go to court, in any case in the intrastate field without having his approval.

I think this authority was created because again much of our pollution in many areas is caused outside of our municipal and State boundaries. Therefore, we don't have jurisdiction until the other State is affected by their pollution, so you have to have a higher authority. That higher authority is granted to the Federal Government, and within it to HEW.

We have followed a spirit of cooperation and coordination and working together, and I think, with the exception of the New Hampshire problem, the other programs have been going along very well on a cooperative basis.

Mr. MICHEL. Isn't it true that you intervened in the Escambia River in Alabama and Florida, and concluded the conference by complimenting the State industry on their effective program?

Mr. CELEBREZZE. Yes.

Mr. MICHEL. How many Federal enforcement proceedings have you commenced in the water pollution control field?

Mr. CELEBREZZE. By enforcement proceedings, you are not referring to court action.

Mr. MICHEL. No.

Mr. CELEBREZZE. I have it here.

Mr. MICHEL. Would you just submit it?

Mr. CELEBREZZE. All right. I will submit it for the record.

Mr. MICHEL. Would there be many?

Mr. KELLY. The list is not very long.

Mr. MICHEL. If there are not a great many, would you supply that for us?

Mr. KELLY. Yes. We can make a list of that.

(The information follows:)

Enforcement actions, January 1957 to December 1962

Action area	Date of initiation	Disposition
1. Corney Creek (Arkansas-Louisiana)	Jan. 16, 1957	Remedial program implemented.
2. Big Blue River (Nebraska-Kansas)	May 3, 1957	Do.
3. Missouri River, St. Joseph, Mo., area (Missouri-Kansas).	June 11, 1957	Remedial program established. Suit filed by United States against city of St. Joseph in Federal District Court at St. Joseph. Court order issued Oct. 31, 1961 against the city.
4. Missouri River, Omaha, Nebr., area (Nebraska-Kansas-Iowa-Missouri).	June 14, 1957	Remedial program established.
5. Potomac River, Washington metropolitan area (District of Columbia-Maryland-Virginia).	Aug. 22, 1957	Do.
6. Missouri River, Kansas City metropolitan area (Kansas-Missouri).	Dec. 3, 1957	Do.
7. Mississippi River, St. Louis metropolitan area (Missouri-Illinois).	Mar. 4, 1958	Do.
8. Animas River (Colorado-New Mexico)	Apr. 28, 1958	Remedial program implemented.
9. Missouri River, Sioux City area (South Dakota-Iowa-Nebraska).	June 24, 1958	Remedial program established.
10. Columbia River (Washington-Oregon)	Sept. 10, 1958	Remedial program under consideration.
11. Bear River (Idaho-Wyoming-Utah)	Oct. 8, 1958	Partial remedial program established. Special problems under investigation.
12. Colorado River (Colorado-Utah-Arizona-Nevada-California-New Mexico-Wyoming).	Jan. 13, 1960	Pollution problems for entire area under investigation.
13. North Fork of the Holston River (Virginia-Tennessee).	Sept. 28, 1960	Feasibility of pollution control measures for 1 industry under investigation.
14. Raritan Bay (New Jersey-New York)	Aug. 22, 1961	Pollution problems are under investigation.
15. North Platte River (Wyoming-Nebraska)	Sept. 12, 1961	Remedial program established.
16. Puget Sound (Washington)	Jan. 16, 1962	Partial remedial program established. Pollution problems are under investigation.
17. Mississippi River, Clinton, Iowa area (Illinois-Iowa).	Mar. 8, 1962	Remedial program established.
18. Detroit River (Michigan)	Mar. 27, 1962	Pollution problems are under investigation.
19. Androscoggin River (New Hampshire-Maine)	Sept. 24, 1962	.....
20. Escambia River (Alabama-Florida)	Oct. 24, 1962	.....

Mr. MICHEL. Didn't that intervention in the Puget Sound, with the invitation of the Governor, cause a lot of feeling among the pulp mill employees, newspapers, and the general public?

Mr. CELEBREZZE. I think, Mr. Chairman, that it did generally. There again, however, it is a question of lines of communication, so that they understand what you are trying to do and that you are not trying to go in and club them over the head. There, we were requested to go in by the Governor, and in some other areas, we were requested to go in by local authorities. But in the interstate field, we have the obligation to go in after our survey, after our analysis. However, my instructions to the people in charge of the program are to cooperate to the fullest extent with all the people concerned.

Mr. MICHEL. Do you believe that Howard K. Smith was a sound choice to summarize the National Conference on Air Pollution?

Mr. CELEBREZZE. I would not know. I did not hear Mr. Smith. I made a keynote address on it but I did not stay to hear the proceedings. I don't really know Howard K. Smith too well. So that I would not be able to comment at this time, or give an answer to your question.

PROMOTION OF STATE WATER COMPACTS

Mr. MICHEL. Have we a good summary in the record heretofore, of what you and your predecessors have done to promote your State compacts to handle water pollution control?

Mr. KELLY. No, it has not come up in these hearings. We could develop a statement for you on that.

(The statement follows:)

Technical assistance has been given in the development, negotiation, and consideration by the Congress of eight interstate compacts as follows:

Water pollution compacts:

Klamath River Basin compact—California and Oregon. Congressional approval Public Law 85-222, August 30, 1957.

Tennessee River Basin compact—States eligible: Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia. States which have enacted the compact; Tennessee, Mississippi, and Kentucky. Congressional approval Public Law 85-734, August 28, 1958.

Columbia Interstate compact—States eligible: Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming. Compact ready for submission to State legislatures and the Congress.

Water resources compacts with minor provisions on water pollution control:

Bear River compact—Idaho, Utah, and Wyoming. Congressional approval Public Law 85-348, March 17, 1958.

Wabash Valley compact—Indiana and Illinois. Congressional approval Public Law 86-375, September 23, 1959.

Northeastern water and related land resources compact—States eligible: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. States which have enacted the compact: Rhode Island, Connecticut, Massachusetts, and New Hampshire. Bills for congressional approval expected to be submitted during this session.

Great Lakes Basin compact—Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin. Ohio has not yet enacted the compact. Bills for congressional approval expected to be submitted during this session.

Delaware River Basin compact—Delaware, New Jersey, New York, Pennsylvania, and the United States. Congressional approval Public Law 87-328, September 27, 1961.

PROTECTION OF STATE AND LOCAL RIGHTS

Mr. MICHEL. Finally, Mr. Secretary, do you believe in preserving and protecting the primary rights and responsibilities of the State and local governments?

Mr. CELEBREZZE. Yes, indeed; within the laws as we know them, yes.

I believe that all runs through any messages, that is, that we will always be concerned about the responsibilities of local and State communities.

Mr. MICHEL. Thank you, Mr. Secretary.

HEALTH RESEARCH FACILITIES

Mr. FOGARTY. I meant to read this letter earlier, Mr. Secretary. It is from Rev. Frederick Hickey, of Providence College, dated January 30, 1963:

DEAR REPRESENTATIVE FOGARTY: It has recently come to my attention that there is a plan under consideration for the transfer of the administration of the health research facilities program from the National Institutes of Health to the Hill-Burton office. Arguments based on economy of operation are undoubtedly advanced in favor of such a move. To me such an approach would overlook the very great difference between the relatively straightforward requirements for hospital construction and the highly individualized requirements of research facilities.

The highly competent, experienced, and interested attention we have received from the trained scientists of the Division of Research Facilities and Resources and the Health Research Facilities Branch have been of great value to our research construction and training programs at Providence College.

Incidentally, were our modest programs to be presented to an office of the size of the Hill-Burton and there be evaluated by people more experienced in hospital administration than in scientific research, they might easily have been passed over entirely.

I sincerely feel that in the Division of Research Facilities and Resources our Government enjoys the services of extremely conscientious, and cooperative public servants and that it would be detrimental to the very best interests of the Government and to health research if they were to be lost under the guise of an economy more apparent than real.

I feel that this matter is of sufficient importance to health science research to warrant bringing it to your attention. Please accept my deep respect and sincere appreciation for all that you have done for health in this country and, actually, throughout the world.

It is signed Rev. Frederick C. Hickey, O.P.

Do you know anything about this?

Mr. CELEBREZZE. I am not familiar at all, with that. No.

Mr. FOGARTY. Well, I will let it go and ask the Surgeon General.

Mr. KELLY. It may be under consideration in the Public Health Service, but it has not reached our level.

Mr. LESINSKI. I have one observation.

Mr. FOGARTY. Yes, sir.

WASTE TREATMENT AND DISPOSAL

Mr. LESINSKI. Mr. Secretary, there are two things involved in this. You have grants for waste treatment works construction; and then you have grants to communities for conversion of garbage and various combustibles.

In the city of Toledo, they have a composting plant. Now, what is happening in America today, with the highway program and so forth,

we are destroying some of our prime farm area ; although we still have many acres left over. I mean, it is not critical, but the fertile land was made by the accumulation of silt through thousands of years, of decomposed wood and leaves and so forth.

Now, I believe if you had someone go over the whole program and could recommend to communities to compost refuse in lieu of burning, that you would do a great service to the whole country for future generations—not at the present time, but future generations.

Mr. CELEBREZZE. Are you referring to the incinerator plants turning the refuse into fertilizer?

Mr. LESINSKI. Correct.

Mr. CELEBREZZE. I think in Milwaukee that has happened.

Mr. LESINSKI. No. Milwaukee has simply the residue of sewage treatment, but this would combine the sewage and the garbage and paper, the waste of the community, in compost, into fertilizer, which is a lot better. And according to the reports I read, it is cheaper, more economical and of course, you have your byproduct.

I believe Cleveland had a study on that at one time.

Mr. CELEBREZZE. Yes, we made an extensive study when we built our new incinerator in the city of Cleveland, and we came to the conclusion that the cost factor involved in producing the fertilizer would be much greater than the money we would get for selling the fertilizer, so we incinerate all ours.

Mr. LESINSKI. On the other hand, Milwaukee is preparing sewage, and it is selling it.

Mr. CELEBREZZE. They may have a different type of operation than we have on it. But it is possible, as we have shown in Cleveland to build a modern incinerator where you have no fumes or obnoxious odors that come from the old incinerator.

In the modern incinerator, there is very little disturbance from it.

Mr. LESINSKI. I appreciate your being before us, Mr. Secretary.

Mr. FOGARTY. Well, Mr. Secretary, is there anything else you want to say before you leave?

Mr. CELEBREZZE. Yes. I would like to thank the Chair and the members of the committee for the courteous treatment that they extended to me.

Mr. FOGARTY. I would like to say for the record that in the 6 months that you have been Secretary of Health, Education, and Welfare, I think that you have gained an extraordinarily good grasp of the workings of this very complex department.

Mr. CELEBREZZE. Thank you.

Mr. FOGARTY. I think that you are doing a good job.

Mr. CELEBREZZE. Thank you.

Mr. FOGARTY. And I also think you did a good job in presenting testimony before this committee during the past 2½ days.

Thank you very much.

FOOD AND DRUG ADMINISTRATION

THURSDAY, FEBRUARY 21, 1963.

WITNESSES

GEORGE P. LARRICK, COMMISSIONER OF FOOD AND DRUGS
 JOHN L. HARVEY, DEPUTY COMMISSIONER OF FOOD AND DRUGS
 JAMES B. CARDWELL, FINANCIAL MANAGEMENT OFFICER
 SHELBEY T. GREY, DIRECTOR OF PROGRAM PLANNING AND APPRAISAL
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	14,331	19,628	26,723
Positions other than permanent.....	121	43	43
Other personnel compensation.....	57	50	200
Total personnel compensation.....	14,509	19,721	26,966
12 Personnel benefits.....	1,087	1,498	2,051
21 Travel and transportation of persons.....	915	1,436	1,845
Payment to interagency motor pools.....	380	561	888
22 Transportation of things.....	110	188	232
23 Rent, communications and utilities.....	261	289	929
24 Printing and reproduction.....	154	203	307
25 Other services.....	139	456	447
Services of other agencies.....	386	300	300
26 Supplies and materials.....	1,044	1,072	896
Samples.....	204	266	306
31 Equipment.....	936	1,950	753
32 Lands and structures.....	2		
42 Insurance claims and indemnities.....	22		
Total obligations.....	20,149	27,940	35,920

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	2,450	3,232	3,876
Full-time equivalent of other positions.....	15	10	10
Average number of all employees.....	2,149	2,768	3,587
Number of employees at end of year.....	2,395	3,282	3,926
Average GS grade.....	7.8	8.0	8.1
Average GS salary.....	\$6,631	\$7,188	\$7,205

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Field inspections, investigations, and laboratory analyses.....	11,632	16,420	19,908
2. Research and methodology.....	3,564	4,921	6,379
3. Compliance, consultation, and education.....	1,087	1,722	2,043
4. Medical evaluation.....	1,140	2,040	3,918
5. Executive direction.....	1,959	2,837	3,672
Total program costs, funded.....	19,382	27,940	35,920
Change in selected resources ¹	767		
Total obligations.....	20,149	27,940	35,920
Financing:			
Comparative transfers to other accounts.....	1,570	302	
Reimbursements for emergency preparedness functions (-).....			-115
Unobligated balance lapsing:			
1962 account.....	1,210		
Proposed for reappropriation to "Buildings and facilities".....		718	
New obligational authority.....	22,929	28,960	35,805
New obligational authority:			
Appropriation.....	23,000	28,280	35,805
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353 and 76 Stat. 728) (-).....	-71	-146	
Appropriation (adjusted).....	22,929	28,134	35,805
Proposed supplemental due to pay increases.....		826	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$1,489,000 (1962 adjustments, -\$75,000); 1962, \$2,181,000; 1963, \$2,181,000; 1964, \$2,181,000.

BUILDINGS AND FACILITIES*Object classification*

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
25 Other services.....	7		991
31 Equipment.....	200	202	806
32 Lands and structures.....	1,370	1,843	12,221
Total obligation.....	1,577	2,045	14,018

Program and financing

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1964 financing			Appropriation required to complete
	Total estimate	To June 30, 1961	1962 actual	1963 estimate	1964 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1964	
Program by activities:									
1. Construction of additional headquarters laboratory facilities	4,300				245		4,055	4,300	
2. Construction of animal whelping building	80				80			80	
3. Construction of district facilities	21,170	2,322	777	1,434	1,048	302	8,892	9,638	6,697
4. Construction of Pharmacological-Animal Laboratory building	1,833	9	45	1,779					
Total program costs, funded	27,383	2,331	822	3,213	1,373	302	12,947	14,018	6,697
Change in selected resources ¹			755	-1,168	12,645				
Financing:									
Total obligations									
Comparative transfer from other accounts (-)			1,577	2,045	14,018				
New obligatory authority:			-1,577	-2,045					
Appropriation									
Reappropriation from salaries and expenses					13,300				
					718				

¹ Selected resources as of June 30, are as follows: Unpaid undelivered orders 1961, \$715,000; 1962, \$1,470,000; 1963, \$302,000; 1964, \$12,947,000.

PHARMACOLOGICAL-ANIMAL LABORATORY BUILDING

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Financing:			
Comparative transfers to other accounts.....	7	1,743	-----
Unobligated balance brought forward (-).....	-----	-1,743	-----
Unobligated balance carried forward.....	1,743	-----	-----
New obligational authority (appropriation).....	1,750	-----	-----

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	996	1,387	-----
Positions other than permanent.....	11	11	-----
Other personnel compensation.....	17	19	-----
Total personnel compensation.....	1,024	1,417	-----
12 Personnel benefits.....	75	98	-----
21 Travel and transportation of persons.....	20	40	-----
22 Transportation of things.....	1	4	-----
23 Rents, communications, and utilities.....	91	103	-----
24 Printing and reproduction.....	18	13	-----
25 Other services.....	10	76	-----
Services of other agencies.....	40	54	512
26 Supplies and materials.....	108	197	-----
31 Equipment.....	50	163	-----
32 Lands and structures.....	-----	520	-----
44 Refunds.....	7	20	-----
Total obligations.....	1,444	2,705	512

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	172	258	-----
Full-time equivalent of other positions.....	3	3	-----
Average number of all employees.....	152	175	-----
Number of employees at end of year.....	172	258	-----
Average GS grade.....	7.8	8.0	-----
Average GS salary.....	\$7,268	\$7,311	-----

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Certification services.....	1,385	2,588	-----
2. Pesticide and color additive tolerances and listings.....	59	97	-----
3. Refunds.....	7	20	-----
4. Payment to "Revolving fund for certification and other services".....			512
Total program costs, funded.....	1,451	2,705	512
Change in selected resources ¹	-7		-----
Total obligations.....	1,444	2,705	512
Financing:			
Unobligated balance brought forward (-).....	-1,017	-1,286	-512
Recovery of prior year obligations (-).....	-4		-----
Unobligated balance lapsing under 31 U.S.C. 706.....	28		-----
Unobligated balance carried forward.....	1,286	512	-----
New obligational authority (appropriation).....	1,737	1,931	-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$38,000 (1962 adjustments, -\$4,000); 1962, \$27,000; 1963, \$27,000; 1964 adjustment, -\$27,000 transferred to following account.

Mr. FOGARTY. The committee will come to order.

We have before us this morning, the Food and Drug Administration.

We are very pleased to have you with us again, Mr. Larrick. You have been quite a busy fellow the last couple of years, with all these hearings and special committees and everybody looking into the affairs of your administration.

Mr. LARRICK. We have been quite busy, Mr. Chairman.

Mr. FOGARTY. How do you feel?

Mr. LARRICK. I am feeling very well.

One of the things that makes us feel well is the support you have given us consistently over the years.

Mr. FOGARTY. I think you are doing a good job. As far as I am concerned, over the years, I think you have done a good job on administering the laws, sometimes under very difficult conditions.

Mr. LARRICK. Thank you very much indeed. I am sure our whole organization will appreciate that very much.

Mr. FOGARTY. Do you have a statement?

GENERAL STATEMENT

Mr. LARRICK. Yes, I do, Mr. Chairman. With the committee's permission, I offer it for the record, and I will read a summary of it at this time.

(The statement follows:)

Mr. Chairman and members of the committee, may I express my appreciation for the opportunity to be here today and to discuss with you the Food and Drug Administration's fiscal year 1964 budget request.

I. INTRODUCTION

We come to you at a significant time in the 57-year history of the Nation's food and drug consumer protection programs. Since our last opportunity to appear before you, far-reaching events have taken place that have already had a considerable impact on these programs and that will undoubtedly make additional impact in the months and years ahead. These events, which include the

thalidomide episode, the enactment of drug legislation, and the report of the Second Citizens Advisory Committee, have directed the Nation's attention to the Food and Drug Administration—its responsibilities, its programs, its policies, and its personnel. In a very real sense, the whole problem of protecting consumers of foods, drugs, and cosmetics has come under the strict scrutiny of the entire Nation. Never since the first Pure Food and Drug Act was enacted in 1906 have these problems been the subject of greater discussion and debate. This, Mr. Chairman, is a healthy development that can only benefit the American consumer and the Nation as a whole.

Consequences of the thalidomide incident

The circumstances surrounding the thalidomide case certainly deserve mention at this point. Our Nation was spared from this episode largely through the diligence, perseverance, and professional ability of Dr. Kelsey and a number of her associates. Yet, despite the suffering it caused in many parts of the world, we have all gained from this experience. The incident directed attention to the weaknesses which existed in the statutes that protect American consumers against dangerous drugs, especially drugs under experimentation, and it united the Nation in support of the enactment of an entirely new set of amendments making those statutes sounder. These amendments mark a milestone in the long history of consumer protection.

The resulting changes in the law have strengthened the Food and Drug Administration's programs with new authority necessary if the American consumer is to receive an adequate degree of protection. This additional authority, as in the past, must be and will be used with the maximum degree of prudence so that the rights of all Americans, whether consumers or producers, will be carefully protected.

The Second Citizens Advisory Committee report

Mr. Chairman, before discussing the details of FDA's 1964 budget request, mention should be made of another event of the past year with considerable implications to FDA's programs and their future: namely, the study made by the Second Citizens Advisory Committee. Naturally, such a far-reaching study that covers the broad ground that this study covers deserves careful review and evaluation, and all the committee's recommendations are at this time receiving the serious consideration of the Secretary of Health, Education, and Welfare and the Food and Drug Administration.

This study, Mr. Chairman, was intended from the beginning to be a comprehensive and critical evaluation of the Food and Drug Administration. We ourselves proposed that it be such. It is certain that this was also the wish of this committee. So, our attitude from the beginning has been conditioned to giving the recommendations of the Citizens Advisory Committee our most candid and objective evaluation.

Since the 1964 budget request had to be developed before this evaluation could be completed, the budget does not attempt to deal in detail with specific recommendations of the committee. On the other hand, the programs outlined in the fiscal year 1964 budget are consistent with the general objectives of the committee's report. In general, the various proposals contained in this budget are designed to keep pace with the current growth of the Nation's economy and population, and to recognize technological developments that are already upon us.

II. CHALLENGES AHEAD

As this latest study and others before it have pointed out, when contemplating FDA's role and its future, one thing is inescapable: the Food and Drug Administration has been and will continue to be challenged by ever-weightier consumer problems that will demand all the intelligence, imagination, foresight, industry, and courage available to this Nation to solve. As the thalidomide incident pointed out most clearly, the type of problem with which FDA must cope is becoming increasingly complex with ramifications affecting not only the general health and welfare of American consumers but their very lives as well.

There are basically three factors that account for the challenges now facing the Food and Drug Administration. These are the rapid evolution in this century of (1) the Nation's economy, (2) the Nation's technology, and (3) the pat-

tern in which the Nation's population has grown and distributed itself. Let us take a closer look at each of these:

Economic growth

The work of the Food and Drug Administration is directly affected by economic trends, and for the past 25 years the major theme in the American economy has been one of phenomenal growth—a growth that the Nation is working to stimulate even further in the future. This can be shown by the gross national product. In terms of current dollars, the gross national product rose from \$72.5 billion in 1935 to \$284.6 billion in 1950 to an estimated \$560 billion in 1963. Similarly, the annual personal consumption expenditures of the American people have also grown spectacularly. Again, in current dollars, these expenditures rose from \$420 in 1935 to \$1,285 in 1950 to \$1,820 in 1960 to an estimated \$2,000 in 1963. Thus, more and more products falling under FDA jurisdiction have been manufactured during the past 25 years and more and more funds have been available to purchase them.

Another indicator of economic growth might be the number of employees working in those areas over which FDA has jurisdiction. Despite the increasing use of automation and labor-saving devices, employment by the food products industry has grown from 797,400 in 1935 to 1,473,000 in 1960, and by the drug industry from 22,100 to 106,000. Since the chemical industry has such an impact on the variety and complexity of the problems for which FDA is responsible, it might be interesting to note that employment in that industry has risen from 275,400 in 1935 to 875,000 in 1960. It should be clear that these employment figures are for manufacturing alone. Employment in the wholesale and retail trades have, likewise, grown sharply over the past 25 years.

Since imports also indicate economic activity, it is interesting to observe that, based on the market or selling price, the value of food imports increased from \$1.9 to \$3.3 billion in the relatively short period of 1950-60. During the same time the value of drug imports increased from \$7 to \$26 million, and those of cosmetics from \$5 to \$13 million.

Technological changes

Not only has the whole economy expanded over the past 25 years in terms of production and consumption, but technological changes have been occurring at a very rapid rate during the same period. One reason has been the tremendous increase in research and development funds spent by industry. The food industry, for example, has increased its research and development investment from \$67 million in 1957 to an estimated \$120 million in 1962. The drug industry, during the same period, has augmented its research outlays from \$104 million to an estimated \$275 million.

All this research, along with many discoveries coming out of World War II, have literally reshaped the Nation's supply of foods and drugs, as well as the way they are produced, packaged, and distributed. For example, of all the food products available to the housewife today, 66 percent did not exist 10 years ago. And of all the drugs now on the market, 45 percent were unknown 5 years ago. Whereas most meals were completely prepared in the home prior to World War II, a fantastic trend toward ready-prepared convenience food has taken place since then. Likewise, whereas most prescriptions were prepared by pharmacists prior to World War II, today the great bulk are pre-prepared by drug manufacturers using mass production techniques.

Changes in the food picture have evolved largely through the development of chemical additives, pesticides, and revolutionary means of production, packaging, and distribution. Whereas prior to World War II there was only a handful of chemicals used as food additives, today there are 2,200 of them; whereas there were about a half dozen chemicals used as pesticides, today there are over 500 used in some 55,000 formulations. In order to produce heavier and healthier livestock, farmers today use some 45 million tons of special formula feeds that contain antibiotics, hormones, and other drugs. Few, if any, such feeds existed 25 years ago. As for packaging and distribution, it is correct to say that only since World War II have the so-called convenience foods made an impact. In 1938, there were about 268 million pounds of frozen foods produced in this country. Today, there are well over 5 billion pounds produced each year. This has led to the packaging of entire precooked meals, as well as to the mass production in factories of countless food items that formerly had to be prepared in the home. All this has resulted in the use of more chemical additives—many of which have yet to be thoroughly tested for safety—and has increased the

necessity for strict sanitation measures to assure that harmful bacteria are not conveyed from the factory kitchens to the home kitchens.

As for drugs, technological changes have not only brought about the production of many more drugs than formerly (at least one new drug is now created every day, on the average) but these changes have also added to the complexity of drugs. Formulas now make use of a large variety of chemical ingredients, many of which individually are not well known and all of which have to be carefully evaluated for potentially dangerous short and long-range effects. Drugs have become sophisticated. Some have timing mechanisms to control the rate of disintegration once they are taken by an individual. Others are produced in a way whereby only under special conditions can they be triggered into effectiveness. Thus, in terms of complexity, as well as sheer number, the drug picture, through advanced technology, has changed drastically. Another effect that all these technological advances have had has been to condition Americans with the belief that, through science, almost any problem can be solved. Many unscrupulous individuals have made use of this new "conditioned reflex" by appealing to people suffering from various physical diseases, illnesses, and other defects that are still incurable with quack products that they claim represent scientific breakthroughs that can correct these problems. It is indeed ironic that increased scientific knowledge has been accompanied by an increase in the activities of promoters of quack products. Quack vitamin and mineral preparations, quack weight reducers, and various quack medical formulations are being pushed by an increasing army of promoters. It would be a fair estimate to say that as much as a billion dollars are wasted by the American people each year on such gimmicks.

Population

FDA's workload is affected by the sheer weight of population. The larger the population the greater is the production and distribution of products falling under the agency's jurisdiction. In addition, the potential for abuses of various kinds under the law becomes greater. But, in addition to the sheer mass of population (it has grown from 122 million in 1930 to 180 million in 1960), there have been two characteristics that have added to the effects that population has had on FDA's overall workload. One characteristic has been the trend from farms and rural communities to urban centers. Between 1930 and 1960, the urban population almost doubled, going from 67,525,000 to 125,525,000, while the rural population fell from 55,250,000 to 53,800,000. The dependence of people on ready-made foods and drugs becomes greater when they move into large urban complexes.

Another characteristic of recent population changes that affects FDA's workload has been the growing number of aged people, i.e., individuals 65 years and older, making up the population. This number has been increasing steadily (from 6,634,000 in 1930 to 16,560,000 in 1960) and, as a result of advances in medical science, it is expected that longevity will continue to increase this age group in the future. The aged people are more prone to chronic diseases and are therefore more dependent on drugs and various diet preparations than other age groups, and it is in these areas that FDA finds the greatest concentration of problems, both resulting from the complexities involved in drugs and specialized foods, as well as from difficulties occasioned by quackery. Most quack products are aimed at the problems suffered by the aged.

It is because of all these economic, technological, and demographic factors that the job of protecting consumers today is so different and more complex than it was even 25 or 30 years ago. It is these factors that have produced problems with new and difficult dimensions for FDA.

These are problems, Mr. Chairman, that call for some energetic and imaginative research, educational efforts, and regulatory actions. They are, in effect, a continuous challenge to the Food and Drug Administration and to the Nation as a whole and they are not the kind of problems that can be left to only one segment—industry, research institutions, or Government—to solve, because each group has its own peculiar obligations to our society and sees its role in its own way. They are problems that call for concerted efforts at all levels, and it would seem that the Federal Government with its responsibility for the protection of consumers would want to lead the way in a dynamic, resourceful and imaginative approach making use of this Nation's great scientific resources and combining research and forward looking regulatory and educational efforts.

FISCAL YEAR 1964 BUDGET REQUEST

Mr. Chairman, the 1964 budget being presented today, although not solving all of our consumer problems, nonetheless represents an attempt by the Federal Government to utilize such an approach.

In fiscal year 1964, FDA is requesting a total gross increase of 635 positions and \$24,727,000. Of this amount, \$10,709,000 is requested under the "Salaries and expenses" account and \$14,018,000 is requested under a new account entitled "Buildings and facilities."

Following is a summary of the major items of increase requested in 1964.

Salaries and expenses

Under "Salaries and expenses," 635 positions and \$10,709,000 are requested. Of this amount, \$4,331,000 is to cover the full-year costs of new 1963 positions funded for only a part of the year. \$5,118,000 is to finance the 635 new positions, and \$1,260,000 is to cover the costs of various nonstaff items. These gross increases are offset by nonrecurring 1963 costs of \$2,844,000. Thus, the 1964 budget proposes a net increase of \$7,865,000. The positions requested can be grouped into four major categories: (1) Staff necessary for new facilities, (2) staff for new regulations and laws affecting drugs, (3) staff for new approaches to consumer problems, and (4) staff to help meet current deficiencies in selected programs.

Staff necessary for new facilities

A total of 67 positions and \$281,300 is requested to permit FDA to place into full operation two new facilities expected to be ready for full occupancy during fiscal year 1964. Of the 67 positions, 40 would be at the new headquarters laboratory-office building (Federal Office Building No. 8), and 27 would be to provide the new special pharmacological-animal laboratory building at Beltsville, Md., with a full complement of staff. The 40 positions requested for Federal Office Building No. 8 will provide the central services, such as maintenance, glassware washing, central media preparation, small animal caretaking, etc., necessary for the conduct of laboratory operations. The positions for SPAL include professional personnel and animal caretakers to bring that facility's staff to 35—the staff for which it was planned to accommodate. It should be noted, Mr. Chairman, that 12 of the 27 positions being requested were made available in the 1963 budget but are now being reprogrammed to implement the new regulations affecting investigational drugs.

Staff for new regulations and laws affecting drugs

A total of 315 new positions and \$2,878,600 is requested to permit FDA to implement more completely these same regulations in 1964, as well as to implement more fully the drug amendments of 1962. Of the 315 positions, 112 would be assigned to the new regulations and 203 to the drug amendments. These 315 positions are in addition to the 232 positions reprogrammed in 1963.

Staff for new approaches to consumer problems

A total of 107 positions and \$793,900 is requested to permit FDA to undertake new approaches to solve the problems facing the Nation's consumers. As stated earlier, Mr. Chairman, it is our belief that new and imaginative programs are required if FDA is to meet effectively the challenges it is facing. The fiscal year 1964 budget would provide FDA with the resources allowing the agency to strike at certain of its major problem areas with new techniques and new emphases. We should point out, that such an approach also underlined the theme of the Second Citizens Advisory Committee's report.

The 107 new positions would be assigned to the following areas:

1. Fifty-one positions would be added to FDA's ongoing import program. This constitutes the largest single annual increment ever made in this important area and would help FDA launch a new stepped-up program on imports. The 1964 proposal would permit FDA to examine at the wharves 4 percent of the estimated 362,000 annual shipments of imports subject to FDA jurisdiction and to examine in laboratories 5 percent of these shipments.

2. Twenty positions are requested to permit FDA to initiate an organized undercover program aimed against the illegal sale of Rx drugs, primarily amphetamines and barbiturates. The new techniques to be employed would include special training of inspectors to pose as underworld characters and to use weapons of self-defense. The new techniques would also include use of special

two-way radios, unmarked automobiles, and other devices similar to those used by FBI and narcotics agents in their pursuit of lawbreakers.

3. Twenty positions are requested to provide FDA, for the first time, with a full-time consumer consultant program. For several years, FDA's program has been made up of 18 consultants working several days a month. The 1964 budget would permit a new approach by converting this successful part-time program to what is expected to be an even more successful full-time one.

4. Twelve positions are requested to permit FDA to establish, for the first time, an organized agency-wide science information exchange program. The purpose of this program is to promote the development and exchange of important and useful scientific information within FDA and between FDA and other governmental and private organizations. Most of FDA's major programs require a wide variety of scientific data. A science information exchange program would not only permit FDA to benefit from the research conducted by other agencies, but would, in turn, permit these other agencies to benefit from data developed by FDA. The 1964 budget also requests \$100,000 to finance outside contractual services to design, establish, and place in operation an agency-wide mechanized communications system employing automatic data processing equipment to permit the most effective and efficient development and dissemination of scientific and medical data.

5. Two positions are requested to permit FDA to undertake a consumer opinion survey. The law requires FDA to establish whether or not labeling statements are true. Once that is determined, FDA is also responsible to make certain that these labeling statements are not misleading. What makes this so difficult is that deception may result from the use of statements not technically false or that may even be literally true. The objective of the law in this area is to prevent not only deception that results from false statements but also deception that results from indirection and ambiguity.

It is our belief that, as a result of sales promotion relying on constant repetition, as well as because of deliberate efforts by certain unscrupulous word-smiths, various labeling slogans, words, and phrases are taking on special—and probably misleading—meanings among consumers. The only way that we can determine this for sure is to survey consumers themselves to determine the way they think and react to specific forms of labeling.

For example, what does a consumer really believe when he sees a label that reads "for the relief of arthritis"? Does this connote to the average consumer that the product will cure the arthritis or simply relieve the pain and suffering? Since we know that there is no cure for arthritis at the present time, it is obvious that a slogan is misleading if it leads the average consumer to believe that the product will cure him.

This is just one of many examples of the type of information we want to obtain by means of a consumer opinion survey. Other examples might include surveys as to what the words "king size," "economy size," "appetite control," "weight control," "lower blood cholesterol," and others mean to the average consumer.

There is other information that such studies could develop for the Food and Drug Administration. One of FDA's responsibilities is to determine whether required labeling is conspicuous enough for the average consumer. We have our own thoughts as to what constitutes conspicuous labeling. However, first-hand statements by consumers indicating that conspicuous labeling means a certain size of type located in a certain place on any given product would be most important in the development of more precise criteria for FDA to follow. Such criteria would be most helpful in our day-to-day review of labeling, as well as in the development of court cases.

For these reasons, Mr. Chairman, we are requesting two positions, and necessary funds, to help plan and conduct various consumer surveys in 1964.

6. Two positions are requested to permit FDA to establish, for the first time, a training institute. This would follow in the footsteps of other regulatory agencies that have scattered field offices, such as the FBI and the Bureau of Narcotics. A training institute in Washington would permit centralized training from the very beginning of a new person's career with FDA. Training would not only be more coordinated and uniform, but would also provide more incentive and esprit de corps from the very beginning. The two positions requested in 1964 would form the nucleus of what is hoped can become a full-fledged training institute.

Staff to help meet current deficiencies in selected programs

A total of 146 positions and \$1,164,200 is requested in 1964 to help meet certain serious deficiencies in selected programs of the Food and Drug Administration. These positions would be assigned as follows:

1. Forty-one positions would work in the area of food additives and food research. These new positions would work largely on the development of new methodology and instrumentation to help FDA detect and identify harmful ingredients that might enter the Nation's food supply. Such methodology is crucial to an effective program in this area. The new staff would also undertake research to solve selected problems in food sanitation and decomposition.

2. Twenty research positions would be assigned to the development of methodology for use in FDA's pesticide program. FDA's present field staff will be sufficient in 1964 to sample 1 percent (25,000) of the estimated 2,500,000 interstate shipments of crops potentially contaminated by pesticide residues. In order for the field staff to be able to analyze all of these samples, FDA must develop new methodology that will reduce the time now required for assays and other laboratory operations.

3. Eighteen positions would fill out the FDA staff required to finish the ongoing inventory of all establishments subject to FDA jurisdiction. This inventory was begun in 1962. The new staff is required to permit inspectional checks of all new establishments not previously known in order to determine the extent to which they fall under FDA jurisdiction.

4. Twenty-seven positions are requested to provide FDA with field supervisory inspectors and chemists equivalent to the ratio of 12 to 1 and 10 to 1, respectively, recommended by the McKinsey study of 1959.

5. Fourteen positions would provide FDA with additional professional and supporting staff to (a) review and process legal actions, and (b) work with industry to promote better understanding and voluntary compliance with the laws enforced by FDA.

6. Ten positions are requested to strengthen, across the board, FDA's consumer and industry education and information programs.

7. Eight positions would provide FDA with additional administrative personnel to help cope with increasing workloads involving recruitment, placement, training, records management, fiscal operations, and other administrative services.

8. Four positions are requested for an improved Federal-State relations program. It is anticipated that a major study of Federal-State food and drug programs budgeted in 1963 will be completed in 1964. The additional staff will be necessary to (a) catch up with many deficiencies in the current program, and (b) help implement recommendations of that study.

9. Two positions are requested to undertake special studies of veterinary drugs and other veterinary products. This is an area that has long needed strengthening and, with the new veterinary facilities now available at Beltsville, Md., FDA can begin to bolster the veterinary staff working on animal drugs and other products.

10. Finally, two positions are requested to bolster FDA's current medical reference service program. These two positions would help an already overburdened medical staff search and index publications for information on drugs and therapeutic devices. Such information is essential to FDA's medical staff assigned the responsibility of reviewing new drug applications.

Nonstaff increases

In addition to the 635 positions requested in 1964, FDA is also asking for \$1,260,000 under "Salaries and expenses" to provide for nonstaff items necessary for the new programs being requested, as well as for many ongoing FDA programs. These funds would be used as follows:

1. \$436,000 is to cover the first-year rental costs of new district office space to be occupied in 1964, as well as new space to be occupied at headquarters. Of this amount, \$262,000 will be for new field space at Baltimore and Minneapolis and in 10 new resident posts.

2. \$300,000 is for FDA's equipment requirements in 1964. Of this amount \$152,000 is for special program equipment associated with the new staff being requested in 1964, and \$148,000 is to replace and modernize FDA's existing equipment inventory. For the past several years FDA has undertaken a program to replace and modernize its obsolete equipment. Funds requested in 1964 will permit continuation of this program.

3. \$135,000 is requested for travel and per diem expenses associated with the training of new employees, as well as the training of experienced scientists and inspectors in the use of new techniques and equipment. The growth of FDA's staff, and the nature of FDA's technical programs, make necessary a full and active training program.

4. \$45,500 is to cover the increasing costs of printing and reproduction. The expansion of program operations and the enactment of new legislation has added to FDA's responsibilities to prepare and disseminate to industry and consumers a host of informational and educational materials required under the law. More funds are necessary, therefore, to help offset the costs of this printing.

5. \$55,000 is to pay for moving costs that FDA will have to meet in 1964. Of this amount, \$35,000 is to move Washington units into Federal office building No. 8, and \$20,000 is to help FDA move into the new Baltimore and Minneapolis district offices.

6. \$15,000 is requested to pay for the transfer of 25 field personnel in connection with the opening and staffing of these same 2 district offices.

7. \$50,000 is to provide for contracts with clinics and other institutions to test and evaluate the usefulness of drugs, nutritional supplements, and therapeutic devices that are being promoted for the cure and relief of various diseases.

8. \$25,000 is requested to cover the costs of additional computer supplies, as well as the rental of computer equipment, to expand and improve FDA's ongoing automatic data processing program. This program is now only meeting certain specific scientific needs. It is hoped that it can be expanded to serve more scientific programs and some administrative needs as well.

9. \$30,000 is requested to provide for the maintenance and supply of delicate electronic equipment now being used by FDA in Washington and in the field.

10. \$25,000 is requested for a consumer opinion survey to help FDA acquire more data as to what specific labeling claims, slogans, etc., mean to the average consumer. These funds are associated with the two positions requested for the opinion survey already discussed.

11. \$100,000 is requested to provide contractual services to design, establish and place in operation a mechanized communication system for the development and dissemination of scientific information.

12. \$10,000 is requested to cover the costs of travel and per diem permitting FDA to conduct a series of workshop conferences for its district personnel during 1964.

13. \$33,500 would cover the costs of a variety of other nonstaff items.

These, Mr. Chairman, are the staff and nonstaff items being requested under "Salaries and expenses" in 1964. To repeat, they amount to 635 new positions, bringing FDA's staff to 3,867, and a net of \$7,865,000, bringing FDA's appropriation to \$35,805,000. In developing this budget, Mr. Chairman, every effort was made to single out priority needs, as well as to take into careful consideration the views and recommendations of recent study groups, including the Second Citizens Advisory Committee.

Buildings and facilities

In fiscal year 1964, Mr. Chairman, we are coming to you with an appropriation account that is new to our budget. It is entitled "Buildings and facilities." The main purpose in setting up this new account is to identify more clearly the considerable construction program being proposed for next fiscal year.

Throughout the history of FDA, beginning in 1906, the agency has experienced serious deficiencies in space and facilities. These deficiencies have handicapped FDA's program operations and its ability to recruit and keep scarce scientific talents.

At headquarters, the agency never had facilities planned and designed for its own particular needs and uses until 1961 when appropriations were made available to construct a headquarters laboratory-office building for FDA (known as Federal Office Building No. 8, due to be ready for full occupancy in early fiscal year 1965), and until 1962 when FDA was provided funds for a Special Pharmacological Animal Laboratory Building at Beltsville, Md. (known as SPAL, due to be ready for occupancy in midfiscal year 1964). FDA's Washington staff has always been housed in "borrowed" space. Nearly all of its headquarters scientific operations are located in laboratory facilities in the South Agriculture Building constructed in 1935. Counting that building, FDA's overall headquarters operations are at present scattered in six different locations, including World War I and World II "tempo" and an abandoned home for nurses.

In the field, until 1958 when funds were first made available for a long-range district office modernization program (now entering its final stages), FDA's field scientific and inspectional staffs were housed in converted warehouses, custom-house buildings, post offices, and other such facilities.

In recent years, as the FDA staff has been strengthened to improve the Nation's consumer protection programs, the agency has been faced not only by the problem of antiquated, scattered, and inadequate facilities, but also by the problem resulting from serious space shortages. With completion of FOB No. 8, SPAL, and the district office modernization program begun in 1958, FDA will have progressed a long way toward solving the first of these two major space problems; that is, the problem of operating in obsolete and antiquated facilities. However, it will have far from solved the problem of space shortages. The main reason for this is that FOB No. 8, SPAL, and the district office modernization program were planned to meet staffing levels that have since been exceeded as a result of new responsibilities and new laws.

It is for the purpose of coping with this space shortage that the 1964 budget proposes, under a special account number, the following:

1. Construction of an additional laboratory facility at headquarters. This new facility would augment Federal Office Building No. 8 now under construction in Washington. By fiscal year 1965, FOB No. 8 will be inadequate for the proposed size of our scientific staff. The new facility being planned is budgeted for \$4,300,000. As planned, it would house about 250 scientists and laboratory workers in three scientific divisions not being provided space in FOB No. 8.

2. Construction of an animal care facility at Beltsville, Md., to complement the Special Pharmacological-Animal Laboratory Building now under construction at that same location. This new facility is budgeted at \$80,000 and will be used primarily to care for pups under the proper conditions until they are ready for transfer to the Pharmacological Laboratory.

3. Development in 1964 of plans and specifications for the enlargement and construction of seven field laboratory-office buildings at Chicago, Denver, New Orleans, Philadelphia, St. Louis, San Francisco, and Seattle. Funds are also included in 1964 to start actual construction of four of these—Chicago, Denver, New Orleans, and Seattle. This part of the 1964 buildings and facilities program is budgeted at \$9,638,000. Because the district office modernization program that FDA has been implementing since 1958 would be substantially changed under this proposal, it is important to discuss it further at this point. As you know, Mr. Chairman, under the 1958 program FDA was to modernize all 18 of its district offices. This was to be done under lease construction arrangements with private entrepreneurs. Under this plan FDA would request appropriations for all fixed and portable equipment going into the new facilities and would pay the first-year rental costs. After the first year, GSA would obtain appropriations to pay the rent thereafter. The equipment for each district office would be financed in two phases covering 2 fiscal years. The fixed equipment would be purchased one year and then appropriations would be made available for the portable equipment the second year. In general, since fiscal year 1958, appropriations have been provided each year for FDA to purchase fixed equipment for four districts and to purchase portable equipment for four other districts.

The 1964 proposal would change the program in two ways. First, it would convert the program from lease construction to direct Federal construction. Secondly, it would expand the seven districts that still remain to be modernized so that they could accommodate a staff approximately one-third larger than contemplated under the original 1958 plan. It should be emphasized that, in actuality, funds have been provided to buy fixed equipment for all seven of these district offices as of 1963. However, various construction obstacles have delayed the program. In addition, the decision to change from lease construction to direct construction will extend the time that it requires to get these districts underway. For that reason, \$500,000 of the funds that were provided for this program in 1963 have been reprogrammed to permit FDA to hire 232 nonbudgeted positions this year to implement its new drug responsibilities, and \$718,000 of the funds are proposed for reappropriation in 1964.

The decision to convert the program from lease construction to direct Federal construction was arrived at after careful evaluation of the program as a whole. Although the initial cost to the Government under direct construction is going to be greater, in the long-run it will not be as costly as it is to rent privately owned space. Furthermore, under the lease construction program FDA has a

10-year lease on each of these buildings, and it is anticipated that FDA can use these facilities for a much longer period.

I will be glad to try to answer any question the committee might have.

RECENT EVENTS HAVING IMPACT ON FOOD AND DRUG WORK

Mr. LARRICK. Since our last opportunity to appear before you, as you have just pointed out, a number of events have taken place that have already had a far-reaching impact on the Nation's food and drug consumer protection programs and that will undoubtedly make additional impact in the months and years ahead. One event that attracted a lot of attention was the thalidomide episode, which directed attention to the weaknesses that existed in the law protecting American consumers against dangerous drugs. This event united the Nation in support of the enactment of an entirely new set of amendments, making this law stronger and sounder. This new law, along with new regulations dealing with investigational drugs, marks a milestone in our Nation's long crusade in behalf of improved consumer protection, and it will have a substantial and long-lasting effect upon the programs, policies, and personnel of the Federal Drug Administration.

Another event of significance during the past year was the second Citizens Advisory Committee's report. This study deserves the careful review and evaluation of the Department. Since this budget had to be developed before this evaluation was completed, it doesn't attempt to deal in detail with the specific recommendations of the Citizens Advisory Committee. The various proposals contained in our 1964 budget are designed to keep pace with the current growth of the Nation's economy and population and to recognize technological developments that are already here with us.

As this study and others have pointed out, and as you, Mr. Chairman, have pointed out many times, the Food and Drug Administration has been and will continue to be challenged by ever weightier consumer problems that call for energetic and imaginative research, educational efforts, and regulatory actions. They are problems that call for concerted efforts at all levels of government and industry, and it would seem that the Federal Government, with its responsibility for the protection of consumers, should lead the way in a dynamic, resourceful, and imaginative approach.

Mr. Chairman, that type of approach is the objective of the 1964 budget which we are presenting here today.

BUDGET REQUEST FOR 1964

Under the heading, "Salaries and Expenses," we are requesting a total appropriation of \$35,805,000 which would provide 3,867 positions. That would be a gross increase of \$10,709,000 and 635 positions over the 1963 budget. We are also requesting \$14,018,000 for new facilities in 1964 under a new account which has been headed, "Buildings and Facilities."

Under "Salaries and Expenses," \$4,331,000 is to cover the full year costs of the new 1963 positions funded last year for only a part of the year; \$5,118,000 is to finance the 635 new positions requested in the 1964 budget; and \$1,260,000 is to cover the costs of various nonpersonnel items.

It should be pointed out that these gross increases of \$10,709,000 are offset by nonrecurring 1963 costs of \$2,844,000 so that the 1964 budget proposes a net increase of \$7,865,000, bringing the total FDA 1964 appropriation sought to \$35,805,000.

The 635 new positions are being requested essentially for 4 purposes :

(1) Sixty-seven positions would provide necessary services for our new Federal Office Building No. 8, which is right at the foot of Capitol Hill, and a special pharmacological-animal laboratory building. Both of these buildings are due to be completed in this next fiscal year.

(2) We are requesting 315 positions to implement the Kefauver-Harris Drug Amendments of 1962, and the new drug regulations published by the Secretary in January of 1963.

(3) We are requesting 107 positions to launch improved programs and new approaches to consumer problems involving imports, illegal sale of prescription drugs, science information exchange activities, and others.

(4) We are requesting 146 positions to help meet current deficiencies in selected programs, such as food additives, pesticides, information and education, and other programs needing special attention.

The educational efforts, of course, would be related exclusively to the problems and programs of Food and Drug enforcement.

In addition to these positions, budgeted at \$5,118,000, the 1964 "Salaries and expenses" budget also requests a \$1,260,000 to cover the costs of nonstaff items. The largest of these is a request for \$436,000 to cover the first year rental costs of new space to be obtained in the field and in Washington. In addition, an amount of \$300,000 is requested for special program equipment and for equipment replacement and modernization. Other items include \$135,000 to improve our training program and \$100,000 for a contract to design, establish, and place in operation, a science information handling system, making use of automatic data processing equipment, that can serve FDA in developing and disseminating necessary scientific information.

BUILDINGS AND FACILITIES

This year, we are proposing to add a new account to our budget. It serves to remove from the "Salaries and expenses" account all the funds formerly requested for planning, construction, and equipping of our facilities. This request is presented in light of the very considerable space and facilities problems faced by FDA.

We are requesting a total in this account of \$14,018,000. Of this, \$4,300,000 is to finance the construction of a laboratory facility to complement Federal Office Building No. 8, which by fiscal year 1965 will be inadequate for our scientific staff; \$80,000 is to construct an animal care facility at Beltsville, Md., that will complement the Special Pharmacological-Animal Laboratory Building now under construction at that location; and, finally, we are asking for \$9,638,000 to continue the district office renovation program begun in fiscal year 1958.

We are, however, proposing two major changes in this program. First, it would be converted from lease construction to direct Federal construction; and, secondly, we would expand the seven districts that remain to be modernized by approximately one-third over the size originally planned under the 1958 program.

The 1964 request calls for funds to plan and design all seven of these districts, and for funds to construct four of the seven, with the remaining three to be financed in 1965.

Mr. FOGARTY. What are the four?

Mr. LARRICK. The four that we plan to construct in 1964 are Chicago, Denver, New Orleans, and Seattle. That would leave, Mr. Chairman, Philadelphia, St. Louis, and San Francisco, and when that is done, you would then have renovated all 18 of our district offices, of which two are completely new. I mean completely new in the sense that we have never had an installation in either Detroit or Dallas previously.

That completes my presentation for justification, sir.

HARVEY REPORT

Mr. FOGARTY. Before we go into the details of the budget, I want to ask you about the so-called Harvey report.

When was the previous Citizens' Committee report issued?

Mr. LARRICK. 1955.

Mr. FOGARTY. There are 10 specific recommendations in the Harvey report.

Mr. LARRICK. That is right.

Mr. FOGARTY. I think it would be well if you went down these 10 and gave us your views on them; what you have done about them or what you intend to do.

EDITORIAL FROM PROVIDENCE JOURNAL

But before that, I have an editorial from my local paper. It is dated November 11, 1962, and the heading is: "Where Cooperation Is Suspect."

I will read the whole thing.

"A Citizens Advisory Committee report calling for sweeping reorganization of the Food and Drug Administration is no doubt timely and constructive. But we can't help being apprehensive about a Committee suggestion that FDA give more weight to 'cooperation' in place of present emphasis on enforcement and police powers.

"The report is timely because it comes on the heels of a new, stricter drug act that will greatly increase the responsibilities of the FDA. Congressional hearings held in connection with the drug act evoked some sharp criticism of the agency.

"The more we have examined the handling of the new drugs by the FDA, the more we have been surprised, shocked, and disappointed at certain conditions which have been existing for years," Senator Hubert Humphrey declared. He said FDA "should be upgraded. There should be some new blood, some new endeavor, some new action, some new spirit."

The Citizens Committee was similarly critical and called for upgrading of personnel, better training of employees, more effective program planning and other changes which make sense and appear to parallel Senator Humphrey's demands.

But when the Committee calls for more "cooperation" in preference to "investigation and prosecution activities," we are reminded that it was an uncooperative FDA officer, Dr. Frances Oldham Kelsey, backed by uncooperative superiors, who overrode the heavyhanded objections of a drug firm to save the American public from the horror of thalidomide—the drug that was linked to the birth of "thousands of deformed babies in Europe."

So in one way they go along with the report but in the other way, they find fault with the emphasis on cooperation.

Do you have any comment?

Mr. LARRICK. In commenting on the major premise of that editorial, my philosophy—and I think it is the philosophy of the Food and Drug Administration—is to try to get the maximum voluntary compliance.

Obviously, the people in the food, drug, and cosmetic industries are basically the same as citizens in any other walk of life, and if you tell them what the law requires, a great many of them will do their best to comply with the law.

In industries as big as the ones we regulate, I think it is our obligation to try to get the maximum degree of voluntary compliance. Having done that, and having made it easy for anyone in the industry to find out what in our judgment is required of them under the statutes, if they do not comply with the statutes, it then becomes our obligation, under the laws passed by Congress, to acquire the facts and present those facts to the appropriate U.S. attorney so that proceedings authorized by the law may be undertaken. These proceedings are civil, injunctive, and criminal actions.

I think we should resort to such proceedings only to the minimum extent necessary to bring about compliance with the law, but I do not believe that you can ever substitute cooperation completely for firm, strict law enforcement.

Mr. FOGARTY. Well, this editorial agrees with you.

Mr. LARRICK. I have talked to a great many of the members of this committee since the report was issued. Many of them assure me that essentially what I have said is what they believe; and they do say in various parts of the report that we should vigorously enforce the law. So I am not sure that we disagree with the committee in its entirety, but I think we will stand on our record of vigorously enforcing the law, and I believe we should continue to do so.

Mr. FOGARTY. That was a long-term goal, as I read the report.

Mr. LARRICK. Everything in the report, I believe, is a long-term goal.

I think that to the extent that you can get people to do what they should do without compulsion why, of course, that is wonderful. We have not reached that point yet, however.

Mr. FOGARTY. It was not reached in thalidomide, was it?

Mr. LARRICK. No, it was not.

Mr. FOGARTY. Do you want to say something about each of the 10 observations made by this Citizens Committee?

Mr. LARRICK. Yes, sir.

Mr. FOGARTY. Tell us what they are, and what you think about each.

Mr. LARRICK. Let me preface this whole comment, Mr. Chairman, by saying that the disposition of the Citizens Committee report becomes the responsibility of the Department, and I assure you that they have given me an opportunity to comment, but when I comment here today, I am giving you my views.

Mr. FOGARTY. I am asking you for your views, not the views of the Department.

REORIENTATION OF PHILOSOPHY AND LEADERSHIP

Mr. LARRICK. Well, in the first heading: "The Philosophy and Leadership of FDA Should Be Reoriented."

I would be the first one to concede that everybody can very profitably do some serious introspection and certainly, I can from time to time, profitably reevaluate my outlook on life, my outlook on the enforcement problems that we have, and try to improve them.

Basically, this philosophy of leadership that you are talking about involves the question of the extent to which you can substitute education for law enforcement, and I have already stated what my views are in that area.

I do think that in the whole area of food and drug control everything that we do gets more and more complex scientifically as we move into the nuclear age, and as the technology of food production, the technology of drug production, the problems involving the safety of drugs, all get more complicated. I think we constantly have to reorient our thinking and use science more effectively as a tool. This is the sort of comment which, if it is not made destructively, can help the Food and Drug Administration.

And in general, while there are many barbs in this report, and there are barbs that were interpreted widely by the press as a personal attack on Larrick, maybe some of them are justified. The overall drive—if you get down to the recommendations of this report—are recommendations which deserve very serious consideration and most of which deserve to be adopted. It has been recognized for some time that with the growth that the Food and Drug Administration has been privileged to undertake because of the recognition by this committee of Congress of our expanding responsibilities—we have grown rather rapidly—that we had to make changes in our delegation of responsibility. We have new jobs and new tasks to do, and so your committee, Mr. Chairman, repeatedly recommended that we have this study, and that was a recognition in itself that it was time to take an outside look at FDA and make some changes, just as we did after the first Citizens Advisory Committee report. I would have been happier—to be very honest—if there had not been so many barbs in the report, but aside from that, the report itself is a document that I think warrants careful consideration.

Mr. FOGARTY. I would not worry about the barbs, if I were you. They don't amount to an awful lot, anyway.

Mr. LARRICK. I am learning to adopt that philosophy.

Mr. LAIRD. I thought you came out very well in that report.

Mr. FOGARTY. I did, too.

Mr. LARRICK. Thank you, Mr. Laird. I am very glad to hear you say that.

Mr. FOGARTY. That is the first recommendation.

Mr. LARRICK. That is right.

Mr. FOGARTY. Just go down the other nine.

REVISION OF ADMINISTRATIVE ORGANIZATION

Mr. LARRICK. Well, the second is: "The Organization for the Administration of FDA Should Be Fundamentally Revised."

I think it is time that we had a revision of the organization of the Food and Drug Administration.

We made a start at that in trying to deal with the problem that was pointed up so dramatically by the thalidomide episode.

We made some changes in the Bureau of Medicine.

We have not yet found a Chief for this Bureau.

We have been operating for a long time now without a Chief. We need a head of that group very badly. We need to make some changes in our field structure—the avenues through which people report—and update our organization to take full advantage of all the new people that we have. While I would not do it exactly the way this Citizens Advisory Committee has suggested, the Committee, in a group, has told both the Secretary and myself that their recommendations were not intended as a blueprint but were intended to be illustrative of what they wanted to do. Therefore, in a deliberate way, without great haste, I think that we should update our organizational structure to keep abreast of the increased responsibilities that Congress has given us from time to time.

STRENGTHENING SCIENTIFIC PROGRAMS

The citizens advisory committee's third recommendation is: "The Scientific Programs Should Be Strengthened."

We all would agree with that and embrace it 100 percent. There are many things that need to be done in that area. Some we can do ourselves; some are things Congress must do for us; some the Department must do for us; but as we started out by saying in our opening statement, the scientific age is upon us. We are in the middle of it. Certainly, we need to strengthen our scientific program now and continually we move into the future.

ESTABLISHMENT OF ADVISORY COUNCIL

The fourth recommendation is: "A National Advisory Council is recommended."

I would strongly welcome a National Advisory Council.

To be utterly frank with you, I would not, offhand, think well of an Advisory Council that was appointed by the Secretary to report and advise the Commissioner and that would, at annual intervals, report back to the Secretary. If they want the Commissioner to have the authority and the responsibility that goes with his job, I don't think he should have a club held over his head. I think that, as proposed, the committee's recommendation would have that effect. Now, I do think there should be an advisory committee and I think it should have access to the Secretary, but it ought not to be an automatic thing that we would have each year; some special group that purports to be advisory to the Commissioner, but that really is a watchdog intervening between the Secretary and the Commissioner.

I think I should be completely responsible to the Secretary; and what he wants me to do, I shall do.

IMPROVE RELATIONS WITH INDUSTRY

A fifth recommendation is: "FDA-industry relationship should be improved." Obviously, we can always improve industry-FDA relationships and we certainly intend to try to do that.

OTHER RECOMMENDATIONS

The sixth point made by the committee is: "There is an urgent need to upgrade personnel and to provide better training opportunities for headquarters and field staff."

No one can debate that. That is a principle that I think we all can endorse 100 percent.

A seventh observation is: "There is a need for more effective program planning."

Sure there is. We can improve our program planning, just as we can improve our scientific endeavors, and this becomes just an integral part of the improvement of our total operation.

The eighth recommendation of the citizens committee is: "Sound educational programs should be developed without delay."

We have had one for years, and it is an area where great improvement can be effected, and should be.

The ninth recommendation is: "In the interest of better consumer protection, there should be closer cooperation between FDA, the Public Health Service, and other governmental agencies."

Now, that is true, and we are actively engaged in bringing that about.

The final observation is: "Federal-State regulatory programs should be improved."

This Appropriations Committee's thinking preceded that of the Citizens' Advisory Committee a great deal when you appropriated \$300,000 for a contract with an outside organization to make a basic study of our Federal-State relationship. Both you and we recognized the need to improve State laws, the State civil service, the whole gamut of State enforcement, so that there could be more opportunity for more of these food and drug activities to be done at a local level. I think that the effect of the study that you gentlemen have authorized should move this objective ahead very far indeed.

Mr. FOGARTY. You really don't disagree with any one of them?

Mr. LARRICK. No, not basically.

Mr. FOGARTY. There is something to each one of them.

Mr. LARRICK. Yes, sir. Bear in mind that I had the privilege of suggesting the names of a great many of the members of this Committee, and these people are truly important people in American life.

SUMMARY OF BUDGET

Mr. FOGARTY. Your appropriation for 1963 is \$28,280,000. The pay act supplemental is \$826,000 or a total of \$29,106,000.

Your request for 1964 is \$35,805,000.

You said in your statements, taking into consideration the transfers, and the unobligated balance of 1963, the actual increase would be \$7,865,000.

Mr. LARRICK. That is right, sir.

STAFF FOR NEW FACILITIES

Mr. FOGARTY. The increases are in four main categories.

I wish you would comment on each and you may add more detail for the record. The first is 67 positions at \$281,000 for staff necessary for new facilities.

Mr. LARRICK. On page 12 of the justification, which we have submitted to you gentlemen, under the heading of, "Staff Necessary For New Facilities," we attempted to deal with the question that Mr. Fogarty has just asked.

Federal Office Building No. 8 is, as you know, a building that is well underway toward completion, at the foot of Capitol Hill, and it will be ready for occupancy during the fiscal year that we are speaking of here.

The special Pharmacological-Animal Laboratory is being built out at Beltsville. It is not as far along as the other building, but it is not as complicated, and will be finished at about the same time. These 67 people are intended to provide, largely, the staff who will operate the new central service equipment, as well as the staff to wash the laboratory glassware, and to sterilize and clean the materials that we use in our bacteriological laboratories to test penicillin, insulin, and all of the drugs and foods that we handle. They are pretty largely for custodial services, in the sense that you need a special type of custodial service to implement a truly large laboratory operation.

TESTING NEW DRUGS

Mr. LESINSKI. The next category is "Staff for new regulations and laws affecting drugs."

You have 315 new positions, at a cost of \$2,878,600.

What are these new laws and regulations?

Mr. LARRICK. Well, when the thalidomide tragedy broke in Europe, it prompted a lot of investigations here. Fortunately, as you know, the drug was never permitted for sale in this country, but the investigations and the inquiries we made in connection with that episode led all of us to the conclusion that our own regulations under the 1938 law which governed the handling of drugs, by experts, between the time that the drug was discovered and the time that it was released for commercial use by physicians and other licensed practitioners, were too loose. So a very comprehensive new set of regulations was proposed and given to the scientific community and to manufacturers and the public to study. Very recently, the study was completed and the regulations—after much discussion and considerable controversy—were adopted.

In essence they provide that before any new drug can be used experimentally on a human being, it must be used on animals, if it is feasible to use it on animals. The regulations also require that before a manufacturer begins a study on people, he must submit to us an outline of the work that he has done in the laboratory—chemically, physically, pharmacologically—and on animals, to show that the drug has reached a stage where the careful transition from the animal to the human being is justified. We would have an opportunity at that time, if our doctors and others reached the conclusion that

the safety was not established to the point to justify these risks, to stop it. On the other hand, if the human tests are allowed from there on out, throughout the whole investigatory period, the checks that would be maintained on the use of that drug during this experimental period would be very greatly increased under the new regulations, and we would be reviewing what those who test drugs are doing at stated intervals. Some of this investigational work involves a great mass of scientific material and to do this we will need skilled people: a great many doctors; we will need pharmacologists; we will need chemists; and we will need others.

Now, the Congress, as you know, did pass a fundamental change in our drug law last year which tightens up very much the requirements as they pertain to all drugs and, more particularly, the requirements with respect to drugs that are used by physicians.

DRUG ADVERTISING

Additionally, they transferred—or perhaps, I should not say transferred—but there has been assigned to the Food and Drug Administration for the first time, the responsibility of passing on the truthfulness of the advertising that is placed in the medical journals and is addressed to physicians.

It used to be that a physician, in his medical college, learned about drugs to the point that when he got out and practiced the drugs that he used were the drugs he learned about while he was in school. But today the speed with which new drugs are developed has reached the point where probably 90 percent of the drugs that a doctor prescribes, if he has been out of school 15 years, are drugs that had not even been thought of while he was in medical school. So while he used to know all about drugs, today he has to get his data from current literature, current advertising, and from other current sources.

So this law would provide that any advertisement addressed to a doctor, about a drug, would have to tell not only what it is good for, but it would have to elaborate on what its potentialities are for harm; what care you must exercise in its use. The law spells out in great detail the things that we must supervise to a degree that we never had to do before. Here again, in an area where I think the importance is without argument, we will need the ablest type of people in our organization, and also money and facilities to get consultative services from the best minds in medicine and related sciences throughout the whole country. That basically, is what this \$2,878,000 adds up to.

DANGERS OF HORMONE USE

Mr. LESINSKI. I am in full accord. I was talking to a doctor yesterday. He mentioned something about another doctor giving a woman patient hormones, and then she became more masculine; her voice changed; and she started growing hair, and he said, "Some day you are going to get masculine appendages." She said, "Well, my doctor has given it to me so I am going to go along."

Now, the point is—whether this is actually harming her, I don't know.

Mr. LARRICK. Yes, that sort of thing is quite possible.

Mr. LESINSKI. If it changes her sexual tendencies, I would think it is very harmful to her.

Mr. LARRICK. The improper use of the sex hormones can bring about very profound changes, in not only the person's sex characteristics, but in his whole body metabolism.

We have had a case within recent months where a drug firm made a mistake in compounding a very simple medication for children and put a sex hormone in this simple medication. The way we learned about it was that the doctor reported to us that his patient, a little girl, was developing mature sex characteristics at an age when it was quite unthinkable. We analyzed the medication, and there had been a mistake made in the use of a female sex hormone. It got in the medicine by mistake.

We have a case of a man in Canada who has an alleged cure for arthritis, and he puts a lot of hormones and materials in this drug. The way we learned about this was from a woman from around here who went to Canada, bought some of this material with these hormones in it, brought it back here, took it for arthritis, developed serious symptoms and died.

So drugs have to be made and used with great care.

We, of course, put a block on the importation of that drug into the United States.

Mr. LESINSKI. It seems to me, we are getting too many new drugs too quickly on the market, without time, without the basic time element to see whether they are helpful or harmful.

For instance, the promiscuous use of drugs, I think, is hurting many human beings more than it is actually helping them.

EMPLOYEES WORKING ON NEW PROGRAMS

How much of an increase do you have for 1963 compared to 1962?

Mr. CARDWELL. In 1963, at the end of this year, we will have added 232 people to work on these new programs. This would add an additional 315, bringing it to a total of 547.

NEW APPROACHES TO CONSUMER PROBLEMS

Mr. LESINSKI. The next category is "Staff for new approaches to consumer problems."

You asked for 107 positions and \$793,900.

What are these new approaches?

Mr. LARRICK. Twenty of these new positions would be inspectors whose job would be to improve the quality and quantity of the work that we do on importations of foods and drugs and cosmetics.

This is in response to a very definite need for this sort of thing, and to some extent, it is responsive to consumer, industry, and congressional remarks that, in some instances, the degree and kind of regulation that we have given to domestic producers is stricter than it is on imports. We are trying to close this gap to some extent. Of course, we cannot inspect foreign food and drug production in Italy to the same extent that we can domestic products, but these 20 men will be used to try to give tighter and better protection to the consumer against imported foods, drugs, and cosmetics.

Then in addition, 31 noninspector positions are requested in this area to provide scientific and clerical strength.

Mr. CARDWELL. There are a number of other specific programs, however, in addition to imports.

UNDERCOVER AGENTS FOR TRAFFIC IN IMPORTED DRUGS

Mr. LARRICK. Yes. Among these would be better control of the illegal sale of prescription drugs. This means the sale of barbiturates and amphetamines that are so importantly connected with juvenile delinquency and accidents on the road, where people take amphetamine—truckdrivers and others—to prevent going to sleep. While we don't believe that we can adequately regulate this growing bootlegging of these drugs used for nonmedical purposes without much stronger legislation, so long as we have the responsibility, we would like to enforce the statute that we have more effectively, so we have asked for 20 positions that would fall in that category.

Mr. CARDWELL. The new approach characteristic here is that we are proposing to install in 1964, if this is approved, a more vigorous undercover effort.

Mr. LARRICK. Twenty men would be very specially trained through the cooperation of our friends in the Narcotics Bureau and several police departments, and whatnot, to actually go underground and be underground agents to ferret out this very serious traffic.

For example, we know that there are millions of these pills shipped to Mexico, and there is no reasonable ground to think they are all consumed in Mexico. We have very good reason to believe they are smuggled back into the United States. We catch an occasional large bootlegger, but we would like to get at this traffic more fundamentally.

I think we can do a better job than we are doing. I do think the President's Conference on Narcotic Control will probably result in recommendations for stronger laws that will involve not only morphine, but these, too. In the meantime, however, we think we should have these 20 positions to do a better job now, and then to be better prepared if and when we get stronger legislation.

Mr. LESINSKI. What you are saying is that this is not really a new approach, but you are expanding your program.

Mr. LARRICK. That is right; but the new approach on this illegal sales problem would be that the men would be trained as true undercover agents.

Mr. LESINSKI. The Department of Health and others are asking us for large sums of money and the health of the Nation lies in your hands, to keep these things away from the people.

Mr. LARRICK. That's right. I think it is a combination job, but certainly, if we can keep it away, it will help that much.

We would like to get a little closer to our ultimate customers that are the consumers of the Nation, and a proposed consumer consultant program would permit the employment of some 20 people who would spend their full time in the consumer field themselves, and who would acquaint us with the tasks that the consumers want us to do for them. The consumer consultants would give us ways and

means to educate consumers so that they can take better, and more advantage of the law. These people would meet and speak to women's clubs, 4-H Clubs, various groups that are interested in consumer problems.

SCIENCE INFORMATION EXCHANGE

The science information exchange program we are requesting has received a lot of congressional consideration and has a lot of merit. I think the thing that triggered it particularly was the thalidomide episode and the very obvious need to codify all of the scientific information which has a bearing on new drugs, on food additives, on pesticides, so that the protective mechanism of the law could utilize all of this information to the full extent.

For example, if a drug firm tries out a new drug, anywhere in the world, and it is shown to have certain dangerous characteristics, there is no need that that type and kind of experimentation be repeated in another country. So scientific exchange, if it were brought about, for all these substances, would help enforcement—from our standpoint, make enforcement more effective, and, from the standpoint of the whole scientific community, would keep scientists from spending their time on things that other people have already done.

WHAT ADVERTISING CLAIMS MEAN TO PUBLIC

We would like to have four positions to settle questions that are involved in what certain claims mean to the public. For example, in this whole controversial area of polyunsaturated fats, there is unquestionably a lot of misrepresentation in some of the claims that are made. There is exaggeration, I think.

Mr. LAIRD. I hope you do look into that.

Mr. LARRICK. What does it mean to the consumer when he sees an ad for a fat that says: This is a polyunsaturated fat. Does it mean to him that he ought to take it to prevent heart trouble?

There are many, many things that adroit people that are skilled wordsmiths in the advertising profession and elsewhere use, and if you are going to prove in court that they are or are not misleading, you have to have experts to help you.

Mr. LESINSKI. Am I correct in saying that animal fat has cholesterol where vegetable fat has not?

Mr. LARRICK. It is not quite that simple, but the extent to which it is saturated seems to have an influence on the cholesterol level of your blood. Now, what effect that has on a normal, healthy person, I think is still a matter of scientific debate.

Mr. LAIRD. Some people really need it, too.

Mr. LARRICK. It could be.

Mr. LESINSKI. The last category is "Staff to help meet current deficiencies in selected programs." There is an increase requested of 146 positions, and \$1,164,200.

Tell us what this is for.

FOOD ADDITIVES

Mr. LARRICK. Well, the technological changes in the food business where more and more chemicals are being added to food to

bring about more convenience means that we have a backlog of unsolved problems in this area on which we need to work. For instance, on the basis of all the available evidence today, we might approve a certain food additive. Two years after it has been on the market, some questions may be raised about some phase of it. We need to go back and have our scientists reinvestigate it to see whether or not new facts can be brought to bear that will make us change our previous decision, and we are requesting 41 positions that would simply be a group of scientists in the laboratory and elsewhere to work predominantly on food research in those areas.

PESTICIDES

In the case of pesticides, we have great need for these chemicals to let modern agriculture produce the abundance of supplies that we have today, and yet we have many, many problems in this area. Science has not progressed to the point where, when we give an answer today on the basis of the best available facts, that answer necessarily stands up for all time. So we are asking this year for 20 more positions to look fundamentally into the problems that will arise in this area.

A recent book—Rachel Carson's book—has served to throw emphasis on this area and there is a great deal of public interest in it.

INVENTORY OF PLANTS SUBJECT TO THE ACT

This next \$93,000 is to permit us to make a better inventory of what our overall job is. It is, to a considerable extent, designed to make our budgeting processes more precise than they have been in the past. It would be a continuing study, which would give us a very much better idea of just exactly what our workload is.

As we grow, and as responsibility of necessity must be delegated further and further in the field and in Washington, we need constantly to improve our supervisory procedures so that the man in Maine who is in business will get the same answer as the man in another State who is also in business, and \$269,000 would be spent exclusively to strengthen our ability to supervise and to do a more evenhanded job of enforcement throughout the entire country.

REVIEW OF INSPECTIONS

As I said earlier, to the extent that we can give industry clean-cut understanding of what we expect of them, we can prevent violations; we can save lots of money. We are requesting \$127,000 to strengthen the staff who review the inspections that are made and decide what action should be taken. It is this group of people who can answer the mail from the consumer, Congress, and everybody else who wants to know everything from how you label tomato catsup to how you apply for a new drug application. The added staff will help make a smooth flow of facts to the people whom we regulate.

The next item of \$70,000 is to do the same thing in a sense, in a mass way, to put out publications with information on how to keep grain clean; how to do this; how to do that; and to get as much voluntary compliance as you possibly can.

ADMINISTRATIVE MANAGEMENT AND NONSTAFF INCREASES

The next item of \$49,000 would give us eight people to strengthen our administrative management. This would be in personnel handling; in training services; and in the supporting services, such as supply and procurement.

Smaller amounts are requested to strengthen our State relations and our medical research. A very small item of \$9,000 is requested to index our medical reference material so that it would be more readily available to our medical officers who are passing judgment on new drug applications.

In addition to that, there are a number of nonstaff increases which total a million and a quarter. The funds requested for space rental in 1964 would be to pick up the first year's rental costs on 2 new district offices and 10 new resident inspection posts, during 1964.

Some years ago we started a modernization program of our scientific equipment, to replace old material and buy newer material as it becomes available—\$300,000 would be used for that; we would spend \$135,000 on training; \$45,000 on printing and reproduction; and to make these moves into new facilities that have been authorized, we would spend \$55,000.

SAMPLING FOOD FOR PESTICIDE RESIDUE

Mr. FOGARTY. The increase for pesticide, will allow you to sample 1 percent of interstate shipments.

Mr. LARRICK. That is right.

Mr. FOGARTY. Do you think that is enough?

Mr. LARRICK. No, sir. I think that is enough to give us an indication of where we should go from there.

I think we will have to make a balance between the number of samples we can collect, and the amount of time we spend in the field seeing just exactly what agricultural practices are.

If you go into an agricultural area, and learn pretty conclusively that during that production season, for the fruits and the vegetables involved, that they had no particular insect problem and they followed the recommendation of the county advisory agricultural agent, we don't need to collect very many samples from that area; but in another area, where you have been suddenly confronted with a wet year and they had to go in late in the season, and use a lot of weed killers that they don't usually use, or they had a bug that bothered them and they had to do a lot of extra spraying, I think we need to step up our sampling in that area very, very extensively. So I think we have to balance those two things, and the 1 percent is sort of a starting point from which we can judge where we can go from there.

Mr. CARDWELL. The 20 positions requested in 1964 are essentially in the laboratory. We have had problems in analyzing samples and in keeping pace with the sample collection rate. We need new methods of analysis, and we need to speed up the sample analysis process. The 1964 request should help round out the pesticide program at this 1-percent of sampling.

Mr. LARRICK. And analyze the samples you collect.

SCIENCE INFORMATION EXCHANGE PROGRAM AND MEDICAL REFERENCE
SERVICES

Mr. FOGARTY. There is a small increase for medical reference services.

What is the difference between this and the science information exchange program you are asking for, Mr. Larrick? You say on page 57:

Although the ultimate requirements of the proposed system will not be clearly defined until the contract is completed, it is anticipated that additional staff will be needed by 1964 to work on the processing and analysis of scientific information and data and to work on other data processing problems.

Mr. LARRICK. Well, the first group—

Mr. FOGARTY. It is not well firmed up yet?

Mr. LARRICK. No. The first group is essentially a library service. We have to continue to operate during the time we are getting this other program in operation but we will always need a very high grade medical library reference service, and that is what this medical reference program is to do; and actually, after we finally get the data processing program in full swing—that will be a process that will go on for some years, before it is really a truly accomplished fact—we will still need these medical librarians who will be able to provide information to our medical staff and answer calls from the Hill when a Congressman or somebody from the trade calls up and wants the answer to a specific question.

Mr. FOGARTY. Do you pay more attention to Congressmen or to the trade?

Mr. LARRICK. We pay attention to both Congressmen and the trade. We try to give Congressmen extra good service.

THE 1962 ACCOMPLISHMENTS AND 1963 PLANS

Mr. FOGARTY. Put in the record pages 107 through 125, which show your 1962 accomplishments and 1963 plans.

(The information follows:)

THE 1962 ACCOMPLISHMENTS, 1963 PLANS

The following fiscal year 1962 program accomplishments by FDA, along with highlights of plans for fiscal year 1963, are offered:

A. FIELD OPERATIONS

1. *Fiscal year 1962 accomplishments*

(a) In fiscal year 1962, FDA inspectors made 48,279 domestic inspections and collected 62,712 domestic samples compared to 43,123 inspections and 44,466

samples in fiscal year 1961. These accomplishments were in the following major categories:

Category	Inspections	Samples collected
Foods.....	18,065	29,583
Drugs.....	5,721	14,401
Cosmetics.....	473	480
Pesticides.....	3,908	6,978
Food additives.....	10,083	2,515
Color additives.....	4,226	1,356
Hazardous substances.....	1,254	835
Public eating places (oleomargarine).....	4,150	56
Radioactive contamination.....		3,915
Illegal sale of drugs.....	117	2,392
Quack lectures and spiels.....	99	161
All other.....	183	40
Total.....	48,279	62,712

(b) During the year, FDA inspectors and field scientists accomplished the following in their efforts to protect consumers against harmful imported foods, drugs, and cosmetics:

Wharf examinations.....	9,668
Samples collected.....	14,541
Samples examined.....	12,142
Detentions.....	6,588

(c) During fiscal year 1962, the work of FDA inspectors and scientists led to the seizure of 22,783,000 pounds of foods because of reasons of health, unfitness, or economic violations, such as short weight, inconspicuous labeling, or failure to meet standards. The seizure actions numbered 855.

(d) During fiscal year 1962 there were 62 drugs recalled from retail distribution. The majority of the drugs were considered harmful or dangerous to health. Some of the reasons for the recalls were that the drugs (1) caused death to humans or animals and (2) caused loss of hair, eye cataracts, hepatitis, and other illnesses or injuries. In addition, drugs were found to be low in potency, contaminated by mold, nonsterile, mislabeled, and, in many cases, not approved by FDA under the new drug provisions of the law.

(e) Thirty-four new analytical methods were developed by field scientists in fiscal year 1962. They are working on over 200 during 1963.

2. Fiscal year 1963 plans

(a) Since the initiation of the renovation program, FDA has opened two new district offices, one each at Dallas and Detroit, and has moved into new quarters at Kansas City, Los Angeles, Cincinnati, and Atlanta. Construction of new facilities has started at Boston, Buffalo and New York and will begin at Minneapolis, Baltimore, New Orleans, Seattle and Chicago as soon as the General Services Administration completes negotiations and/or issues invitations for bids for new buildings. During fiscal year 1963, FDA will contract for laboratory furniture to be installed in the remaining four districts located at Denver, San Francisco, Philadelphia, and St. Louis, and expects to complete the program the following year (1964). The General Services Administration has been requested to obtain space for these four installations.

(b) Emphasis will be given to pesticides, drugs, imports, and food additives. FDA will also give added attention to food standards and economic cheats. In the case of imports, collection of 16,000 samples has been set as a 1963 goal, along with 10,000 wharf examinations. In pesticides, a goal of 25,000 samples (one percent of the estimated 2,500,000 annual interstate shipments of fruits, vegetables and other crops) will be the target. In the drug area, more manpower will be devoted to medicated feeds, new drugs, and drug composition. FDA's goal on food additives is to make a food additive inspection at each food establishment.

(c) The preparation of an inventory of FDA's workload will be continued in fiscal year 1963. FDA inspectors will visit those establishments which heretofore were not known in order to determine FDA's obligations.

B. SCIENTIFIC RESEARCH AND METHODOLOGY

1. Fiscal year 1962 accomplishments

A vigorous, well-organized program of scientific investigation is indispensable to FDA's enforcement activities. The domain of the regulated industries is scientifically complex, and it is expanding at an accelerated pace. In the course of this expansion, scientific problems involved in law enforcement have become increasingly complicated. The function of research in FDA is to provide the scientific information and techniques which are needed for the intelligent, effective administration of the law. A few of the more important fiscal year 1962 accomplishments follow:

(a) During the past year, as a result of joint efforts by field and Washington personnel, a drug product for the treatment of tuberculosis was shown to be adulterated with traces of diethylstilbestrol (a synthetic female hormone). The quantities of this potent estrogen in the product were about one-millionth of an ounce per tablet. But this minute concentration was sufficient to cause symptoms of premature sexual development in the infant girls treated with the antitubercular drug.

Inspection of the plant where the drug originated revealed that the manufacturer neglected to clean his machinery after processing high-potency products. By means of specially designed ultraviolet irradiation tests, FDA examined a series of products fabricated immediately after diethylstilbestrol preparations. Many of them were contaminated with significant proportions of diethylstilbestrol. A similar set of drugs following penicillin products in the manufacturing schedule were found to be adulterated with this antibiotic. Other products from the same manufacturing plant and the products of other laboratories are being examined systematically by appropriate analytical methods, devised as needed, for evidence of such "cross contamination" by dangerous drug substances.

(b) Antibiotics are widely used in drugs for the treatment of mastitis in cows. Drugs used to cure mastitis are usually injected into the udder. The milk of the diseased cows is then discarded until the fluid is free of antibiotics. Even in low concentrations, antibiotics may be toxic to sensitive individuals. A recent study of several mastitis preparations administered to cows disclosed that three of the drugs caused persistence of penicillin in the milk beyond the prescribed withholding period. Certification of these products has been suspended.

(c) New instrumental techniques, especially gas chromatography, microcoulometry and polarography, have proved invaluable for the identification, detection, and determination of pesticides and food additive residues. FDA laboratories also have devised a special extraction cell that measures the potential concentrations of food additive substances extractable from packaging materials.

(d) Column chromatographic procedures have been employed for the determination of synthetic organic colors in foods. Even bakery goods, which form an intractable combination with many dyes, now can be analyzed by the newly devised procedure. The food is ground to a paste with water, and mixed with a porous bulking material. The entire mass is then packed into a suitable tube. Organic solvents containing selective resins are percolated through the mass to strip the color from the food particles, and the fluid emerging from the bottom of the tube contains the dyes. By the use of appropriate resins and solvents many of the stable synthetic dyes can be recovered almost quantitatively from foods.

(e) Long-term pharmacological investigations have been conducted for various flavoring substances and for pesticides. There is a need for analytical procedures which yield reliable toxicity data more rapidly than the classical methods of pharmacology. FDA is working with two promising approaches to such procedures: the injection of chemicals into chick embryos and a tissue culture technique.

In the chick embryo procedure, chemicals are injected directly into the yolk sac of fertile eggs, and the treated eggs are incubated together with untreated eggs as controls. Toxicity is then measured by: (1) interference with embryonic development; (2) percentage of hatch; and (3) secondary effects after hatching, such as weight retardation or abnormal tissue development. In the tissue culture technique, toxicity is indicated by the deleterious influence of the chemical when introduced into the environment of cell cultures

derived from liver, kidney, or other tissues. In the case of certain arsenicals and alcohols, these new rapid methods have proved as reliable as long-term studies upon which FDA has relied in the past.

(f) A certain luminescent micro-organism has been employed as a biological indicator to detect minute quantities of radioactivity. Standardized colonies of the luminescent organism are cultured, and their production of light energy is measured. Ionizing radiation emitted by radioactive isotopes damages the organism, resulting in diminished light output. Accurate systems have been devised to measure the light emitted. Correlation of quenching effects with known concentrations of radioactive isotopes would indicate that this microbiological method is reliable.

(g) In an effort to find better means of identifying causative agents in food poisonings, FDA is conducting research on the toxin responsible for staphylococcus food poisoning. Media for the production of the enterotoxin as well as analytical methods have been improved to such an extent that pure toxic staphylococcus cultures now can be detected without preliminary concentration. Enterotoxin "A" (the new designation of the food poisoning type) is being purified in order that extremely sensitive serological techniques may be applied to the detection of trace amounts of enterotoxin in foods. These findings will be employed in studying the staphylococcal types isolated from over 3,000 samples of raw milk collected throughout the country.

(h) Research continues on the adverse nutritional effects of overheated fats. Among the artifacts obtained when fats are continually heated is a group of unnatural fatty acids consisting of branched and ring compounds, dimers, and polymers in contrast to the normal monomer linear chain compounds. On feeding these substances to test animals, it has been clearly demonstrated that fatty materials containing branched and ring compounds or dimers are low in nutritive value and lead to retarded growth. In high concentrations these abnormal fatty acids are markedly toxic to rats.

(i) A project to record the infrared, ultraviolet, and visible spectra of reference standard drugs now has been completed. These spectra will be published soon as an aid in the regulatory identification of drugs. Spectra of other drug substances of significance to enforcement work also will be measured.

(j) In addition to these and many other scientific investigations by FDA in fiscal year 1962, research was conducted to devise analytical methods for 79 substances. Included were the following:

- (1) Volatile decomposition compounds in foods.
- (2) Migrants from packaging as food additives.
- (3) Diethylstilbestrol in feeds.
- (4) Acetic and propionic acids in bakery goods.
- (5) Arsenic in feeds.
- (6) Saffrole and related compounds in beverages.
- (7) Caffeine in beverages.
- (8) Chlorinated pesticide residues in fat.
- (9) Filth in ground cocoa bean products.
- (10) Salmonella in foods.
- (11) Pyridoxine in pharmaceuticals.
- (12) Niacin in cereal products.
- (13) Ascorbic acid in food and drug products.
- (14) Sulfonamide mixtures in drugs.
- (15) Strontium 90 and cesium 137 in foods.

2. Fiscal year 1963 plans

(a) In striving to fulfill its increased workload obligations, FDA will investigate the use of semiautomated and automated analytical systems during fiscal year 1963. For example, the autoanalyzer is an instrument permitting the rapid automatic chemical analysis of many similar samples. Before such an instrument can be deemed reliable for regulatory and certification work, however, its performance must be checked thoroughly by comparison with officially recognized assay results. Initial studies show promise for this instrument and further studies will be conducted in fiscal year 1963.

(b) A project in data storage and retrieval will center around the infrared spectral curves previously recorded for official reference standards and other drug compounds. The spectral data will be encoded and stored in a card index, and the mechanical identification of drug substances from their infrared spectra will be attempted. If the system is successful it will be extended to other categories of data and other classes of compounds.

(c) Because of current scientific and commercial interest in safflower oil as a food, the composition of this substance will be studied to evolve methods for detecting adulterants. Gas chromatography should be a helpful tool in this research.

Gas chromatography has been applied successfully to the identification of fats by analysis of constituents in the unsaponifiable fraction. By this means FDA has been able to demonstrate the adulteration of a cottonseed oil with soybean oil. It will be determined whether it is possible also to distinguish between the sterols of pressed olive oil and oils extracted with solvents from olive pits and pomace.

(d) A collaborative experiment to investigate the effect of several commercial processing operations on the strontium 90 content of frozen and canned foods will be initiated. It is planned to study tomatoes, peaches, snap beans, spinach, and broccoli. Approximately 12 samples of each product will be examined to determine the effect of peeling, washing, blanching, and canning on the strontium 90 content of the commodities.

(e) In order to broaden its capabilities in recognizing toxic responses and to sharpen its ability to forecast toxic difficulties in the human, FDA is investigating the use of the pig as an experimental animal. The pig has striking physiological and histological similarities to the human; it spontaneously develops peptic ulcer, high blood pressure and hardening of the arteries. The appearance of its blood cells and its skin histology is almost indistinguishable from the appearance of the corresponding tissues in the human.

Among other tests, FDA expects to employ a number of drugs with which difficulty in clinical use has been encountered, for example, the toxic responses produced by MER-29. In one study now underway, thalidomide has been fed to pregnant sows during the early phases of the pregnancy to determine the drug's teratogenic (monstrosity-producing) properties in this species. This experiment will be completed during fiscal year 1963.

C. COMPLIANCE—CONSULTATION—LEGAL ACTIONS

1. Fiscal year 1962 accomplishments

Many accomplishments were registered in fiscal year 1962 by FDA's staff responsible for (a) processing, reviewing, approving, and monitoring all legal actions; (b) preparing supporting data in court actions; (c) administratively interpreting the law; (d) conducting hearings; and (e) consulting with industry to promote voluntary compliance with the law.

Among the broad enforcement areas receiving emphasis in fiscal year 1962 were the following:

(a) *Short Weight and Inconspicuously Labeled Foods.*—More than 70 different food and beverage products were seized because of short weight or volume. One puffed cereal product ranged up to 15 percent short weight. There was also a sharp increase in the number of foods seized because of failure of mandatory label information to appear conspicuously on the label. Some common causes of this result were (1) the use of cellophane bags with printing ink the same color as the product in the background, so that there was no contrast; (2) type size too small or too blurred to be easily read; (3) nonuniform or noncontrasting or highly reflective surface in the background; and (4) the use of promotional items, gifts, etc., attached to the original package in such a way as to obscure the mandatory label information. Such labeling and packaging abuses were subject to comment in the President's consumer message to Congress in March 1962. The incidence of violation dropped from about 9 percent for the first survey in fiscal year 1962 to about 4½ percent for the second survey in fiscal year 1962.

(b) *Medicated Feeds.*—Under the medicated feed program an increased number of seizures were made. Included were (1) feeds containing dangerous levels of the drug, 4-nitrophenylarsonic acid, which had caused death to turkeys in the New England States; (2) feeds deficient in active drug content; and (3) several feeds which failed to comply with the antibiotic exemption regulations or were not manufactured under an effective new drug application. Inadequate labeling also accounted for a number of the seizure actions. One injunction was granted by the court and several prosecutions were filed where inspectional evidence showed continued lax operating practices.

(c) *New Drugs and Antibiotics.*—Efforts were made in 1962 to tighten up control over drug labeling. New regulations were issued in 1962 to accomplish

this objective. As a result, major segments of the drug industry have been in contact with FDA regarding their labeling. Substantial corrections have been achieved and several carefully chosen regulatory actions and numerous informal contacts by FDA demonstrated to the industry that the agency will accept nothing less than the law requires to fully inform doctors about the drugs they use. Further improvements in this area will be possible under the Drug Amendments of 1962.

Substantial progress was also achieved in persuading the proprietary drug industry to place more adequate warnings on over-the-counter drugs. During the second half of fiscal year 1962 there were 14 seizures of human new drugs for which firms did not hold effective applications and 5 of veterinary drugs. In addition, 26 prescription legend drugs, 20 veterinary drugs, 25 human drugs sold over-the-counter, 2 lots of counterfeit drugs, and 5 lots of physician's sample drugs have been seized on the basis of misbranding, adulteration, or both.

(d) *Therapeutic devices.*—During fiscal year 1962 there was considerably increased regulatory activity against devices bearing false and misleading claims as to their therapeutic or health values. Included was a variety of air purifiers, vibrating devices (cushions, chairs, lounges, etc.) and the more complex diagnostic devices, such as the microdynamometer and the neurolinometer. This activity was given impetus late in fiscal year 1962 by virtue of court decisions which permit multiple seizures of the two last named devices. The field force is now investigating all known users of these devices, and those that are not voluntarily destroyed will be seized by U.S. marshals.

The following list includes a few of the legal actions successfully terminated for the Government in fiscal year 1962:

(1) The sea brine injunction which terminated nationwide promotion of sea brine as a cureall.

(2) Favorable verdict in the *Jenasol Royal Jelly* case with a subsequent injunction of the promoter. This case is important for its salutary affect in (a) preventing further distribution of Jenasol as a cureall and (b) curbing other promotions of royal jelly for the treatment of many serious diseases.

(3) Successful outcome of the *International Exterminator* case which was precedentmaking in its interpretation of the provisions of the Food, Drug, and Cosmetic Act in the control of the hazardous use of 1080 and other rodenticides in food establishments.

(4) Conviction of Tex Palmer, Houston, Tex., for the distribution of counterfeit drugs. This conviction marks the culmination of many years of investigation which, while intensive, was fruitless in establishing Tex Palmer's responsibility for violations of the Food, Drug, and Cosmetic Act.

(5) The conviction and injunction of Royal Lee and the satellite corporations. Royal Lee is the fountainhead of nutritional quackery in this country.

(6) Conviction of the president of Cal-Tex Citrus Juices, Inc., on charges of perjury arising from Cal-Tex fake orange juice case.

(7) The obtaining of an injunction prohibiting the shipment of the worthless neurolinometer devices.

(8) The successful conclusion of the Government's action against Ellis Research Laboratories, prohibiting the further shipment of the worthless microdynamometer devices.

(9) The conviction of two firms, Perdue Hatcheries, Salisbury, Md., and Portland Egg & Poultry Co., Portland, Oreg., for commerce in incubator reject eggs.

(10) Conviction of Kasal Trading Co. and Battone for the smuggling of hydrochlorothiazide invoiced as procaine hydrochloride into this country and its subsequent shipment in interstate commerce. The hydrochlorothiazide was destined for manufacture into counterfeit hydrodiuril, an important drug.

2. Fiscal year 1963 plans

In fiscal year 1963, vigorous action will be continued in all areas of FDA jurisdiction to promote voluntary compliance with the law and to take direct action where voluntary compliance fails. Among the areas to be given special attention are the following:

(a) Suspect cancer and arthritis treatments.

(b) Special dietary preparations misrepresented by false nutritional and drug claims.

(c) Products represented or suggested to be effective in the control of blood cholesterol.

(d) Commercial laboratories and individuals submitting fake clinical and assay reports to drug firms and the Government.

- (e) New drugs sent to doctors and clinics for investigational use.
- (f) Therapeutic devices misrepresented by false claims.
- (g) Imports.

D. EDUCATION INFORMATION

1. Fiscal year 1962 accomplishments

Among the accomplishments registered during fiscal year 1962 in the area of consumer and industry education and information are the following:

(a) The Division of Public Information was reorganized in fiscal year 1962 in a way providing a more practical span of control, improved planning and fixing responsibility for certain phases of the program with specific individuals. The plan provides an improved line of supervision and a better ladder of advancement for the staff.

(b) A new informational-educational series called consumer memo was begun in 1962. These memos cover matters of special concern to consumers, such as pesticides, food additives, labeling, food standards, and so forth. They are sent out to leaders of consumer organizations or to other individuals or groups requesting them. The memos are written in clear layman's terms and advise consumers about matters of importance to their health and pocketbooks, and of issues on which consumers are invited to submit their views as a part of the administrative process.

(c) A new pamphlet entitled "Drugs and Driving," which comes to grips with a major consumer health problem, was issued in fiscal year 1962. With advances in new drugs have come certain dangerous side effects, one being impairment of driving ability. Many drugs have the subtle effect of making people sleepy and less alert. Other drugs, the so-called pep pills, have the opposite effect of exhilaration and overstimulation. This, too, can lead to automobile tragedies, and a number of accidents have been tied directly to such drugs. The pamphlet spells out these dangers and alerts people to them. About 100,000 pamphlets went to the trucking associations.

In addition, the National Association of Truck Stop Operators received some 50,000 for distribution to truck stops and truck drivers. The National Safety Council has also distributed them. Subsequent distribution was made through the American Automobile Association, State and local safety associations, safety departments of corporations with large fleets of trucks, safety officers of Government agencies, insurance firms, and so forth. The National Education Association will distribute copies through its driver education program.

(d) Reporting to the public on FDA's stewardship of its responsibilities has been improved by expansion of the "Monthly Report of Enforcement and Compliance," and by a contractual arrangement for its printing and mailing on a regular schedule. The expanded report gives a brief narrative account of law-enforcement actions on all major programs, and also reports voluntary actions taken by industry to improve consumer protection. It is thus an important medium of both consumer and industry education, and tends to promote voluntary compliance with the law. The voluntary compliance aspect of this type of reporting is illustrated by recent stories in the monthly report of seizure of certain worthless diagnostic and treatment devices sold largely to chiropractors. Following these reports, many chiropractors voluntarily destroyed their machines, making seizure action unnecessary.

(e) During fiscal year 1962 FDA's education-information unit answered 17,000 letters, issued 95 press releases, reviewed 194 manuscripts, and processed 8,998 requests for additions and dropouts on FDA's mailing list, with a net gain of 3,184.

2. Fiscal year 1963 plans

Among the plans scheduled for fiscal year 1963 in the area of education and information are the following:

(a) Development of an improved school information program to meet the demands for educational materials for tomorrow's consumers. This will include the development of materials for use by textbook publishers and by teachers who could fit the data and information into home economics, social science, general science, and health education curricula. The materials would be available upon request. Considerable interest has been shown for such a program. Each year FDA receives many requests for information from teachers and students and from writers of books and articles for their use. A director for the overall consumer education program, of which the school information aspect is a vital part, was employed in 1962.

(b) A stepped-up industry education program to promote voluntary compliance in such fields as pesticides, hazardous substances, food additives, new drugs, and plant sanitation. Efforts are now being made to staff an Industry Education Branch with specialists for these activities. There is a great demand by industry for materials that will provide a better understanding of the complexities and technicalities of the laws and regulations. Industries want to know more about what is expected of them under the statutes. They seek guidance and advice. The promotion of voluntary compliance with the law through education-information is a major FDA objective.

(c) Opening of a headquarters exhibit and museum. A pilot museum was essentially completed in fiscal year 1962 and was opened early in fiscal year 1963. This exhibit informs consumers, especially schoolchildren who visit Washington, about some of the major programs of FDA and how the food and drug inspector and the FDA scientists provide consumer protection. It will also help to interest scientifically inclined young people in a career with the Food and Drug Administration. This exhibit will serve as a prototype for a more extensive FDA exhibit and tour service planned for Federal Office Building No. 8.

E. FEDERAL-STATE RELATIONS

1. Fiscal year 1962 accomplishments

As a result of special efforts in recent years to strengthen FDA's staff responsible for improving cooperation, communication, and program coordination between FDA and its State and municipal counterparts, substantial results were obtained in fiscal year 1962 in this important area. Among the accomplishments were the following:

(a) Two regional conferences were held, one in the East and one in the West for FDA and State food and drug officials. The conferences were for training purposes, and the material presented followed the needs expressed by State and local officials during past conferences with representatives of the Association of Food and Drug Officials of the United States. Some of the topics presented included:

- (1) The philosophy of enforcement.
- (2) Role of the inspector.
- (3) Preparation for an inspection.
- (4) Demonstration of inspectional equipment.
- (5) Manufacturing processes and equipment.
- (6) Sanitation.
- (7) Sampling.
- (8) Discussion with management.
- (9) The inspection report.
- (10) Making a simulated inspection and taking field notes.

A total of 26 States sent officials to the two conferences. Critical evaluation submitted by the participants following each conference indicated most favorable responses.

(b) FDA scientists are constantly working to develop new and improved analytical methods to be used in detecting and identifying pesticide residues and chemical additives found in or on foods. Once a method is developed, it is written up for use throughout FDA. Because such methodology is also valuable to State and municipal food and drug agencies, a program has been established to refine the scientific writeups so they will be more usable to the States and then to reproduce and issue them. Approximately 50 methods were processed in this way in 1962. In addition, an index of methods known in the scientific community on pesticide residues was issued to the States.

(c) Communications between Federal and State law-enforcement agencies can play a vital role in protecting the Nation. This is no less true in enforcing the food and drug laws as it is for many other statutes. Experience has shown that one way FDA can improve consumer protection is to communicate to the States information on the legal actions it takes in seizures, injunctions, and prosecutions. This alerts the States to products, individuals, and manufacturers where State action can be taken. Such action complements FDA operations and adds depth to consumer protection. During fiscal year 1962 FDA established a program whereby, every 2 weeks, listings of legal actions taken by the agency are sent to State food and drug officials. Although a portion of such information was provided in the past, it did not provide the depth of coverage of the material now being distributed to FDA's counterparts.

(d) Another way of improving communications between FDA and State officials is to pay informal visits with such officials and discuss mutual problems, current activities and future plans. FDA has tried to improve this means of communications for many years, but the lack of funds has been a serious handicap. Considerable strides were made in fiscal year 1962, however, where FDA officials made visits to 37 States and Puerto Rico, as compared to 25 in fiscal year 1961.

(e) A conference with representatives of the Association of American Feed Control Officials was held in May 1962. The theme was to explore methods for establishing closer cooperation and coordination between FDA and State officials charged with administering animal feed laws. Discussions were held involving the problems, capabilities, and limitations of the respective agencies in controlling this fast-growing industry which makes use of an increasingly large number of drugs, hormones, and chemicals as additives to stimulate animal growth and prevent or cure animal diseases. Many of these additives are potentially dangerous to humans when ingested in certain amounts either directly or as residues in meat, poultry, and eggs. Since many local feed distributors and retailers add such additives to feeds themselves and since their feeds do not enter interstate commerce, the problem of protecting consumers becomes largely a State problem. FDA has conducted some research on these animal feeds and has developed analytical methods and inspectional techniques to help detect and identify the kind and amount of additives they contain. Such information should continually be provided to the States, and FDA's program in Federal-State relations is so directed.

(f) During the last quarter of fiscal year 1962, State food and drug laboratory employees were invited to participate in an FDA-sponsored frozen egg training school. State employees were instructed in methods of detecting spoiled or contaminated frozen eggs while in a frozen state.

2. *Fiscal year 1963 plans*

Additional staff in fiscal year 1963 should improve across-the-board FDA activities to bolster Federal-State relations. Among the plans being contemplated are—

(a) More training schools for State food and drug officials. Some of these schools will treat special subjects such as animal feeds and inspection techniques.

(b) Increased cooperation with State weights and measures officials in an attempt to improve consumer protection against short weights and deceptive packaging.

(c) A conference with representatives of the National Association of Boards of Pharmacy to explore areas of mutual interest and additional avenues of cooperation in problems of drug control.

(d) Developing a series of district-State planning conferences with FDA's State counterparts and FDA district offices in an effort to plan work effectively and eliminate unnecessary duplication or overlapping of efforts.

F. MEDICAL EVALUATION

1. *Fiscal year 1962 accomplishments*

Among the accomplishments in this area, were the following:

(a) Sources reporting to FDA's adverse reaction reporting program increased from 35 to 44 (18 voluntary and 26 contractual) during fiscal year 1962. The 18 voluntary activities include the Early Clinical Drug Evaluation Units which increased coverage of psychotherapeutic drugs. These units were added to the program through contacts at the National Institutes of Health. Steps were also taken to determine the extent to which the Veterans' Administration hospitals might participate in this program.

A scientific exhibit featuring the adverse reaction reporting program was developed and had its first showing at the annual meeting of the American Medical Association. It was well received and stimulated the interest of those attending.

Over 2,600 reports of adverse reactions associated with use of drugs were submitted by cooperating hospitals in fiscal year 1962. Of these, 700 were considered sufficiently important by the reporting activities to be submitted in detail.

Evaluation of the reports by the program's staff led them to refer 33 reports, because of their uniqueness or seriousness, to other FDA divisions for further evaluation and possible followup action. The policy statement on phenindione

requiring the labeling of this drug to bear special warnings was initiated on the basis of such a referral of an injury report received from a hospital participating in the adverse reaction reporting program.

(b) During fiscal year 1962, 282 new drug applications were received for human drugs and 99 were made effective. In addition, 1,110 applications for the modification of already approved human drugs were received of which 760 were made effective. Significant drugs found to be safe and on which favorable action was taken during fiscal year 1962 include one for dilating the coronary arteries, an intravenous blood pressure raising agent for the treatment of shock, one for lowering the blood pressure, a drug for the palliative treatment of some types of cancer, one for the control of nausea and vomiting, an oral contraceptive agent, some oral enzyme agents recommended for the treatment of inflammations and injuries, and some radiopaque compounds for use in X-ray examinations.

(c) Five drugs for human use were suspended on the basis that clinical experience, since the applications became effective, showed that they were unsafe for use. All products were promptly removed from the market. The drugs involved were found to cause severe liver damage, a serious blood condition, skin conditions, loss of hair, cataracts, and atropine-like side reactions in infants. An application was prevented from becoming effective in the United States for a sedative and hypnotic, thalidomide. This drug was marketed in other countries and was later shown to cause serious malformations of the fetus when used in early pregnancy.

(d) During fiscal year 1962, 411 new veterinary drug applications and 2,387 modifications and supplements for veterinary drugs were received. Of these, 164 new drug applications and 427 supplements were made effective.

(e) Two major research projects were initiated to investigate the problems of milk residues following the use of various drugs on cows.

(f) Clinical studies were initiated on two suspect drugs and two suspect therapeutic devices to provide evidence to support possible future regulatory actions.

2. Fiscal year 1963 plans

(a) Extended coverage of from 15 to 20 additional reporting sources for the adverse reaction reporting program is planned in fiscal year 1963. More frequent contact and closer liaison with actively participating and prospective hospitals and institutions are also planned. Reports will be issued, at frequent intervals, on the drug experiences gleaned from the program. Distribution is tentatively proposed for program participants and internally.

(b) More thorough review of promotional drug literature is planned in fiscal year 1963. Increased emphasis will also be given to direct contact with clinical investigators and medical experts to permit more thorough consideration to their experiences with drugs. In addition, more intensive followup of clinical experience after new drug applications are made effective will be attempted.

(c) It is estimated that FDA's medical staff will participate in 265 court cases and 470 hearings involving drugs and therapeutic devices during fiscal year 1963. In addition, approximately 6,400 establishment inspection reports will be reviewed and evaluated.

(d) FDA plans to have more clinical studies of drugs, nutritional supplements, and therapeutic devices regarded as adulterated or misbranded, and which constitute a threat to the public health. Such studies will continue to provide the medical evidence necessary to support regulatory actions.

(e) Implementation of new regulations on investigational drugs will represent a major workload during 1963. Over 2,000 investigations of experimental drugs will be reviewed and evaluated during the last three quarters of 1963 to be certain that dangerous experimental drugs are handled in a manner which will safeguard the public.

G. PROGRAM PLANNING AND APPRAISAL

1. Fiscal year 1962 accomplishments

The Citizens Advisory Committee of 1955 stressed the need for FDA to improve its planning procedures to permit maximum utilization of existing manpower and other resources. The recommendation has been implemented in almost every budget since fiscal year 1957, with the result that considerable achievements have been registered. In fiscal year 1962, for example, the fol-

lowing accomplishments were among a number made in the area of program planning and appraisal:

(a) Ten regulatory and major investigational programs (either entirely new or completely revised) were prepared and issued to the field during fiscal year 1962. In addition, over 30 significant program changes were written. The major programs dealt with areas such as (1) radioactivity in foods, (2) food additives, (3) therapeutic devices, (4) cheese, (5) establishment workload inventory, etc. This brought to more than 90 the number of major enforcement programs in effect at the end of the year.

(b) Guidelines and procedures were developed in fiscal year 1962 for the establishment inventory program by which FDA hopes to have, for the first time, a complete and accurate census of all the establishments (factories, warehouses, distributing points, etc.) subject to its jurisdiction. Such an inventory is essential for improved program planning and law enforcement. The establishment inventory program was well underway by the end of the year. It is scheduled to be completed in fiscal year 1964, after which the inventory will be kept up to date on a continuing basis. In taking the inventory, FDA is utilizing programing, inspectional and clerical manpower, as well as data provided by the Bureau of the Census and the Bureau of Old-Age and Survivors Insurance.

(c) A major import data program was completed during fiscal year 1962. The program's objective was to provide FDA with an accurate and up-to-date picture of its import workload. The program utilized the services of the Bureau of the Census, which were obtained under contract. As a result of the program, FDA now has continuing, accurate estimates of the number of import lots (and quantity of products) that enter the United States each year and are subject to its jurisdiction.

The estimates are by type of commodity, country of origin, and by FDA district of entry. This information is necessary if FDA is to develop enforcement programs that can provide consumers of imports with a degree of protection essentially equivalent to what they receive when buying domestic products.

(d) Fiscal year 1962 was the first full year during which a new data retrieval system permitting the retrieval of inspectional data in depth and relaying it routinely to Washington's program planning staff was used and established on a firm basis. Until now, such data was available to the field district offices but did not reach Washington without special effort. The new system employs a form prepared by inspectors which, generally, provides information down to the individual product level instead of only the 39 major commodity groups as was formerly the case. For example, under the former system, Washington headquarters obtained, on a routine basis, data about dairy products in general. Under the new system, Washington obtains, on a routine basis, data about specific dairy products such as dried milk, various cheeses, etc.

2. Fiscal year 1963 plans

Among the goals hopefully to be attained during fiscal year 1963 are the following:

(a) Development and issuance of 20 new regulatory and major investigational programs.

(b) Development of a preliminary estimate of FDA's establishment inventory pending a final estimate in fiscal year 1964 when the census is due to be completed.

(c) Adoption of a data retrieval system which provides information on results of laboratory examinations of all domestic and imported products. This system will be comparable to that now in effect for establishment inspections. It will provide data on field accomplishment, product compliance, and kinds of violations at the individual product level.

(d) Giving special attention to the import program in terms of manpower utilization, making use of the new data compiled in fiscal year 1962.

(e) Establishment of a pilot project for the programing of FDA's field scientific analytical manpower. (Only inspectional manpower is programed at this time.)

II. ADMINISTRATION AND MANAGEMENT

1. Fiscal year 1962 accomplishments

Considerable progress was made during fiscal year 1962 to improve FDA's administrative services and to facilitate the job of management. Some accomplishments include—

(a) Establishment of four Assistant Commissioners (administration, legislation, regulations, and science) to provide better management of FDA's increased and more complex responsibilities.

(b) Establishment within the Office of the Commissioner of the consumer consultant program to permit closer coordination with consumer programs emanating from the Office of the Secretary, Department of Health, Education, and Welfare, and the White House, as well as to give the program more stature.

(c) Reorganization of the Office of the Assistant Commissioner for Administration by establishing four divisions under his immediate supervision. Prior to this, the Office was composed of 10 branches. The reorganization not only reduced from 10 to 4 the number of people reporting directly to the Assistant Commissioner, but it also strengthens the stature of FDA's administrative functions by elevating them from branch level to divisional status.

(d) Establishment for the first time of an Internal Audit Branch responsible to plan and conduct comprehensive internal audit activities within FDA to assure compliance with laws, regulations, policies, procedures, and sound operational and administrative practices. This unit will be staffed in 1963 and 1964.

(e) Establishment for the first time of a Data Automation Branch to improve existing processes, systems, complex computations, and procedures through the use of automatic or other mechanized equipment.

(f) In fiscal year 1962, FDA recruited 882 people to fill newly budgeted positions and to replace staff lost through normal turnover. Nearly 3,000 personnel actions (accessions, separations, promotions, retirements, etc.) were processed.

(g) Training (not on-the-job) was provided for nearly 1,500 FDA staff members. It ranged from new employee orientation to courses for clerks and secretaries, schools for inspectors and scientists, and special seminars for top management. Over 71,000 man-hours were spent by employees in training in 1962, and more than 2,000 instructor man-hours were involved. Of the 71,000 man-hours spent by employees, about 32,500 hours were spent on the employees' own time.

(h) A special study was made of FDA's internal financial management reporting system and steps were taken to implement recommendations for the development of more usable reports, the elimination of unnecessary reports, and the establishment of training programs for employees responsible for accounting for allotted funds to inform them about the new reports and the mechanics of handling allotments.

(i) A study of FDA's records and paperwork management procedures was continued in fiscal year 1962. The study is conducted by a special task force from the National Archives and has already resulted in important recommendations for improving FDA's system.

2. Fiscal year 1963 plans

(a) Emphasis will be given to expanding the application of automatic data processing to meet FDA needs. At Washington headquarters more programs, mostly scientific, will be developed for use in an RCA-301 computer now available to FDA. In the field, pilot tests will be conducted to determine the feasibility of mechanizing program reporting data.

(b) Coordination will be achieved of policies, guidelines, procedures, and reporting requirements in the areas of conflict of interest, outside employment, stockownership, consultants' financial interests, and committee memberships for FDA staff.

(c) During fiscal year 1963 FDA's personnel staff will have to recruit an estimated 1,500 new positions to fill newly budgeted jobs, as well as to replace turnover.

(d) It is estimated that more than 2,000 FDA personnel will receive training during the year.

INABILITY TO START CERTAIN NEW PROGRAMS IN 1963

Mr. FOGARTY. Regarding 1963 plans, I notice that there are some places in the justification where you are not going to be able to start certain functions under the new laws or regulations. Is this solely due to recruiting problems, or could you be doing a better job this year

if you got a supplemental appropriation or reprogram what is going to be an unobligated balance at the end of the year?

Mr. LARRICK. You recall that when the new drug law passed, and the new regulations to deal with investigational drugs were promulgated, there was a supplemental that was sent up last Congress. It got here too late to be considered in your original consideration. It went to the Senate and it was included in a bill but that bill died in conference, not because of anything we had in it, but for other reasons.

It would have been extremely helpful to us, of course, if we had had that money and that authority available in October; if we had that entire period to recruit.

The Department and we were both anticipating a deficiency request which would give us substantial increases in people in the first deficiency bill that would go up this year. But in the final consideration of that deficiency bill, the authorities outside of the Department decided that unless and until we show by our rate of recruitment that we can get enough people on our rolls to demonstrate that, if we do get a further supplemental, we will be able to discharge that obligation, we would not be included in a supplemental this year; but if we do recruit enough people, I understand that it will be sent up.

Now, its value to us, assuming that we do make the grade, will depend pretty much on the time of the year.

Jim, have I answered that?

Mr. KELLY. Yes.

LANGUAGE CHANGES

Mr. FOGARTY. Before we go to "Buildings and facilities" would you explain the language changes on page 94 of the committee print that I have?

The first is "Adverse reaction reporting."

Mr. LARRICK. Well, actually, this is, to some extent, an insurance item. It is very, very important for us and the public to learn at the first time we can when a drug we have allowed to go on the market surprisingly brings about some adverse reactions in people that we had not anticipated, and we do pay some of the people in hospitals to gather this information and send it to us.

We have run across situations in dealing with hospitals where, if they have funded all of their obligations for a year, they may not be able to undertake a new task unless you can finance it in advance.

So that is what this is all about, to make it possible for us to contract with them, to give them some money to start the thing if they require it.

Mr. FOGARTY. Do you use Government hospitals like VA?

Mr. CARDWELL. The Veterans' Administration is not in the system as yet, but we are working with them currently to bring them into the system. There are 20 nonpaying hospitals.

Mr. FOGARTY. This may be subject to a point of order on the floor.

Mr. LARRICK. Yes. Well, we realize that.

Mr. FOGARTY. The next language proposal that you have is—

compensation of informers; payment for publication of technical and informational materials in professional and trade journals; and rental of special purpose space in the District of Columbia or elsewhere; * * *

That is probably subject to a point of order, too.

Mr. LARRICK. That I would refer to you. I just don't know. I know we need it.

Mr. FOGARTY. What do you need it for?

Mr. LARRICK. Well, as for the compensation of informers; problems with the barbiturates and the amphetamines has been growing and growing. Whereas 5 or 6 years ago the problem was pretty much out in the open—there were stores where you could buy these drugs in most towns—as we stepped up our enforcement operations, it has become more of an underground proposition. It is organized crime today. We have the same problems with respect to the regulation of barbiturates and amphetamines as the Narcotics Bureau has with morphine and heroin and those other drugs, so we are having to turn to the same type and kind of enforcement techniques the police departments, the Bureau of Narcotics, and others use, and among the things you must have if you are going to do this thing successfully, is the payment of informers. This isn't the kind of enforcement work that I particularly enjoy seeing Food and Drug get into, but it is very necessary in the protection of public health. If we are going to do it, I think we have to have that type of operation.

Mr. CARDWELL. One reason for inserting this at this time is because we plan to step up the program.

The General Accounting Office, in a decision of some years back, I think it involved the Park Service, held that a law enforcement agency, even though there was an implied necessity for such payments, would require appropriation language to do so. This is one of the reasons we requested it at this time.

Mr. LARRICK. We know, for example, that there is a tremendous quantity of this stuff coming in from Mexico which has been smuggled into the United States, originally shipped from here. It goes down to some places in Mexico where they could not possibly use a million amphetamine tablets. We know that it is coming back in here, but to find it, we are going to have to adopt some—we have to put people in Mexico and really do an undercover job on it, and we are planning in this budget to put on 20 men who would be definitely trained as undercover agents, just as the Narcotics Bureau has done.

LEGISLATIVE PROPOSAL TO REMOVE POINT-OF-ORDER LANGUAGE FROM BILL

Mr. KELLY. With respect to the point of order problem, Mr. Chairman, it is somewhat of a sore point, with us. As you know, this committee directed us to develop legislation that could be considered by the Congress. It took us longer than we anticipated it would and by the close of the last session of Congress, we had submitted proposed legislation to cover many of the points of order. The question arose, in connection with this, whether or not we should include this in the bill or wait until we got this other legislation enacted and we were so fearful that we would not get it on a timely basis that we felt we had the responsibility to bring it before the committee.

Mr. FOGARTY. I understand, but there is nothing we can do if the point of order is raised.

Mr. KELLY. We felt that it was sufficiently important that we should bring it to you, and run that risk, but that meanwhile, we would

incorporate these new provisions in the point of order bill in an endeavor to get some action on it.

BUILDINGS AND FACILITIES

Mr. FOGARTY. For "Buildings and facilities," the request is for an appropriation of \$13,300,000 and a reappropriation of \$718,000 of unobligated balances for salaries and expenses.

Does it make any difference to the Treasury if the unobligated balance is allowed to lapse, and you ask for \$718,000 additional, as a direct appropriation.

Mr. KELLY. No, it does not, Mr. Chairman, but we were faced with this kind of a problem, and we wanted to present it to you this way.

We were concerned about the problem of having to come up to this committee and ask for the funds to renovate specific laboratories, and then to come back to you and ask for funds to do the same thing all over again. It appeared that we were making the Congress act on this thing twice. In this way, we felt that we could, in all fairness, come before you for a reappropriation; and so we have reserved the funds you had made available to us for these purposes. We were going to use them for these purposes, but because of the delays which had occurred, and because of our desire to switch from a lease arrangement to a construction arrangement, we are asking you to reappropriate them to us. It just seemed to us that it was the fairest way for us to lay it on the table before you; but as you say, you could accomplish the same result.

Mr. FOGARTY. You are risking a point of order in this way, though.

Mr. KELLY. You are, but the other way, you are risking a very severe criticism from the committee, it seems to me, if you ask for funds for a given purpose, and then come back, as if for the first time, and ask for them all over again.

We proposed it this way as being a manner in which we thought was an appropriate relationship for us to have with this committee.

Mr. FOGARTY. Leaving out the reappropriation, is there authorization for all the proposed construction, alternations, and so forth?

Mr. CARDWELL. The appropriation language which we are requesting this year would provide the necessary authorization. That appears on page 127.

Mr. FOGARTY. You say:

For construction, alteration, and equipment of facilities, including acquisition of sites, and planning, architectural, and engineering services, \$13,300,000, to remain available until expended: * * *.

Now, are all these things authorized?

Mr. CARDWELL. Not in the basic legislation. Not specifically. No, sir.

DELAYS IN DISTRICT OFFICE FACILITY CONSTRUCTION

Mr. FOGARTY. Several places in the justifications, you mentioned delays in construction of district office facilities.

What has occasioned these delays?

Mr. LARRICK. These are the district office facilities.

Mr. FOGARTY. Yes.

Mr. LARRICK. There have been a variety of things that have caused delays. For example, in Minneapolis the bids were let; the bids were advertised by the General Services Administration. There were three bidders, as I recall. A decision by the GSA was that two bidders were unresponsive and their bids were thrown out and the contract was awarded to a third bidder. One of the bidders who was thrown out appealed, questioned the judgment of GSA, and I believe carried the matter to the court. That matter is pending there.

Mr. HARVEY. It is pending before the General Accounting Office.

Mr. LARRICK. Before the General Accounting Office.

In Baltimore, we had a problem with sewers in the city; a question of whether or not the site GSA had selected could be moved forward because of some changes that were necessary in the sewage system.

We ran into zoning problems of a major sort in Buffalo.

In New Orleans, we ran into the problem of having Congress decide against the type of financing that we have used to build a number of the buildings, where there have been private enterprise buildings we rented.

Other delays were occasioned because after the buildings were built, the contractor who had the bid to supply the laboratory furniture put it in and we were not satisfied with it. We had long months of argument with him about whether he put in material that was in accordance with the specifications. Right now, for example, in Los Angeles, we are fighting it out with them about a lot of the details of construction, which you know more about than I.

PROGRAM FOR DISTRICT OFFICE CONSTRUCTION

Mr. FOGARTY. You put in the record before, but remind me again, what districts have new buildings, and what ones still need them. After this year, you have three left.

Mr. LARRICK. There are three left.

Mr. FOGARTY. And there are four this year.

Mr. LARRICK. The four that are to be constructed are in Chicago, Denver, New Orleans, Seattle. The ones left over to be constructed for next year are Philadelphia, St. Louis, and San Francisco.

Mr. FOGARTY. That will complete all the district renovations and alterations and new buildings?

Mr. LARRICK. That is right.

EQUIPMENT MODERNIZATION

Mr. FOGARTY. Have you any districts that have not been modernized, equipmentwise? Some of the equipment we saw a few years ago was really antique.

Mr. LARRICK. They have all had updating of the removable equipment. These seven have hoods and permanent installations that are built into the buildings, that are not updated, but the electrospectrophotometers and tools of the trade, they have been updated.

Mr. KELLY. We have sort of followed the practice that as we developed each new laboratory, it was complete with all new equipment; with the exception of those awaiting renovation, we tried to make the expenditures to bring the equipment up to date as much as we could, without making a wasted expenditure so that when we renovated, it would be lost.

RESIDENT INSPECTION STATIONS

Mr. FOGARTY. Have you established any new district offices or sub-offices during the last year?

Mr. CARDWELL. We established two resident inspection stations during the last year.

Mr. LARRICK. Where were they.

Mr. CARDWELL. I don't know, offhand. We can insert it in the record.

(The information follows:)

The two new resident posts opened by the Food and Drug Administration last year were at Grand Rapids, Mich., and Honolulu, Hawaii.

Mr. LARRICK. We moved a number of our resident inspectors to better quarters; we have given them better facilities and, in addition, we have two that we would like to supply for the record, if we may, that we added as new resident posts.

Mr. CARDWELL. We improved 10 resident posts in the last year, 2 of which were in new cities, new posts.

RESIDENT INSPECTOR IN PUERTO RICO

Mr. LARRICK. You visited one established in 1960 in Puerto Rico. I guess you did not visit it but you saw the inspector.

Mr. FOGARTY. Yes, we had a good talk with Mr. Lynch. We thought he is doing a good job but he has a big job to do by himself.

Mr. LARRICK. He has a terrific job.

Mr. FOGARTY. Do you think he needs an additional person?

Mr. LARRICK. I think he does.

Mr. FOGARTY. Perhaps a native of Puerto Rico. It looked to me like that would help him considerably.

Mr. LARRICK. And we will be faced, eventually, with a problem of more help in Hawaii, and we don't have anyone yet in Alaska.

Mr. HARVEY. One of the new posts that we have established is in Hawaii.

Mr. LARRICK. It is a one-man post.

Mr. FOGARTY. You don't have anybody in Alaska?

Mr. LARRICK. No. We travel from Seattle to Alaska.

Mr. FOGARTY. That is a long way to travel.

Mr. LARRICK. It is a long way to travel.

Mr. FOGARTY. Are you looking for somebody?

Mr. LARRICK. We have not yet but the population up there, comparatively, is not as great as in some other places, where we don't have inspection.

ANIMAL-CARE BUILDING

Mr. FOGARTY. You are requesting \$80,000 for an animal-care building.

Why was this not included in the original plans for the animal laboratory?

Mr. LARRICK. This is a special building which is really a breeding station where we would raise the tremendous number of dogs that we need for all of our different kinds of work. This would be a different building.

This would be a different building from the building where we keep the dogs for the surgery and the other experimental work that we do with them. This would be a breeding and whelping establishment.

Mr. CARDWELL. Probably the answer to the question would be that the two buildings, while on the Beltsville Reservation, are on two different sites. Our present breeding operation is centered around experiments that involve sheep, cows, horses, hogs, and other large animals. This has been there since about 1935, this very limited operation. The unit that does the experimental work using these large animals has up to this time been the unit that has bred pups for experimentation. And it is for this reason that when we came in for the pharmacological animal laboratory building, we anticipated that the breeding would continue to take place at this other site. We now realize we need special facilities for breeding alone at Beltsville.

ADDITIONAL HEADQUARTERS LABORATORY FACILITIES

Mr. FOGARTY. You are asking \$4,300,000 for additional headquarters laboratory facilities. The justifications are a little vague on where this will be located. Where would it be located?

Mr. KELLY. No specific site has been selected as yet, Mr. Chairman. We have recognized a need for additional laboratory space in the Washington area and concluded at a fairly early stage after we have started construction on Federal Office Building No. 8 that by the time we have moved into that building, it was going to be unable to take care of our total requirements.

In designing the space for the building, we selected certain units and said, "Let's design the space so that we do not provide for them, and let's go out and get rented laboratory space that will take care of this."

I think one of them was a cosmetics laboratory unit, which requires special facilities and which we have not designed into Federal Office Building No. 8. We then ran into serious troubles. We found that we were unable to develop under a lease arrangement suitable laboratory space in the Washington area and concluded we should ask for it in terms of construction funds.

Now, one of the places that has been considered is Beltsville, because it would minimize the number of locations in which we have to have Food and Drug Administration personnel. But one of the reasons why we have not finally decided on a site was that, as you know, we had not finally recommended to you a site for the Environmental Health Center. One of the considerations that we wanted to take into account was whether or not there was a benefit to be derived from having, and whether or not it was possible to have, the Environmental Health Center and this additional laboratory space for the Food and Drug Administration in any degree of proximity to each other.

But we will bring you a recommendation on the site location the very near future for both our situations.

Mr. FOGARTY. How far is Beltsville from here?

Mr. KELLY. About 20 miles, I guess.

Mr. LARRICK. About 16 miles.

Mr. CARDWELL. By the beltway, it is about 20 miles.

Mr. FOGARTY. Isn't this the area you recommended?

Mr. LARRICK. Yes, it is.

Mr. FOGARTY. Who disagrees with you?

Mr. LARRICK. I don't believe the Department disagrees with us.

Mr. KELLY. What the Budget Bureau did was after some discussion they agreed on the need for additional space and presented to the Secretary a series of questions with respect to it and asked him to look into these questions before a final decision was made. Tentative conclusions on most of those questions have now been arrived at and have been submitted to the Bureau of the Budget.

There still is the question open as to our recommendation for the site for the Environmental Health Center and its relationship to this problem.

Mr. FOGARTY. Was there anything more you wanted to say about this?

Mr. LARRICK. No. Except that I hope that indecision does not prevent us from getting something that is extremely necessary in my judgment to further our program. I am sure Mr. Kelly shares that view fully.

Mr. FOGARTY. You say in the justifications that site surveys and so forth will cost \$10,000. If you don't know where it is going to be built, how do you know what these detailed costs will be?

Mr. CARDWELL. As Mr. Kelly pointed out at one time, the General Services Administration developed plans for the construction of a building under lease. Those plans contemplated Beltsville as the site. All the cost estimates that we have presented in the budget are based on those plans. Those plans are about a year old. They are the best data that we happen to have. We don't think that this particular cost—the cost of surveys—would vary as long as the building is built in the metropolitan area.

FALLOUT SHELTER

Mr. FOGARTY. Are you still planning for a 300-man fallout shelter?

Mr. CARDWELL. This is an item included under the executive branch policy to install fallout shelters in federally owned buildings built in the metropolitan area. The size of the shelter and the cost were determined by the General Services Administration.

Mr. FOGARTY. Do the district office buildings have fallout shelters?

Mr. CARDWELL. No, sir.

Mr. FOGARTY. Just in the Washington area?

Mr. CARDWELL. I am not sure whether this policy is nationwide or not. Up to this time the district offices have been constructed in non-Federal buildings. They are privately owned.

CHANGE FROM LEASE CONSTRUCTION

Mr. FOGARTY. The justifications on pages 146 and 147 say that this change away from lease construction follows the concern expressed by the last Congress.

Mr. KELLY. That is correct.

Mr. FOGARTY. If my memory is is right, this subcommittee has expressed concern ever since this domestic giveaway program started.

Mr. KELLY. I think that is true. There was enacted in the law, you recall, back about—I am not sure—about 1956 an authority to build under a lease-purchase arrangement. This is the way we built the Communicable Disease Center.

That law was not extended except as it relates to post offices. So the authority for lease-purchase does not exist. There is, however, authority for the construction of buildings under long-term lease. And a great many facilities are provided in this way. And the Food and Drug laboratories were built in the districts under long-term lease arrangements.

But they were constructed in order to fit the peculiar requirements of the Food and Drug Administration. In the last Congress provision was put in the independent offices appropriations bill requiring that wherever a facility was constructed for the Federal Government under a long-term lease and cost more than \$200,000, it would require the approval of the appropriate Public Works Committees; and it said that anybody who signed such a lease without such approval did not get paid out of the funds appropriated.

Mr. LARRICK. That was a pretty potent deterrent.

Mr. FOGARTY. I think that was the case with the building in New Orleans.

Mr. CARDWELL. Yes, sir. The General Services Administration at that very moment had an option on a site. And they let that option lapse.

REVOLVING FUND FOR CERTIFICATION AND INSPECTION SERVICES

Mr. FOGARTY. Regarding the proposed revolving fund, what is the authority for establishing this revolving fund; and what would be the advantage of a revolving fund over an indefinite appropriation?

Mr. CARDWELL. Well, the advantage is purely a technical one, and it is an advantage that can be justified perhaps from the standpoint of the accounting system which would be employed. This is a self-sustaining operation under either method of financing. The proposal that we have in the budget this year to put the account under the revolving fund would put it on a system comparable to that of the industries that are paying the fees that support the fund. The most significant changes would be that we would capitalize our assets. We would set up reserves and evaluation accounts to finance their depreciation.

We would recognize the Government's liability to pay annual leave. These increments then would be itemized and included in the fees themselves.

Mr. LARRICK. There would be an annual report to this committee.

Mr. CARDWELL. There would be a report to this committee of the status of the operation annually. This is very similar to other revolving funds that are in operation within the Department, the working capital fund, the Federal credit union funds.

Mr. FOGARTY. Could the same arguments be used for putting 95 percent of the Post Office Department in a revolving fund?

Mr. KELLY. Such arguments have been used from time to time for a great many years. But Congress has not seen fit to adopt them.

But the budget actually does treat the Post Office Department on a net basis. The budget only includes the excess of expenditures over receipts. Wherever you have an operation of the Federal Government that is based on fees, the easiest way and the most effective way to account for it is a working capital or revolving fund type of arrangement.

Mr. FOGARTY. Would any change be needed in the 1963 language for this activity if the committee decides not to agree to the revolving fund idea?

Mr. CARDWELL. No, sir. The language would be as it has been.

Mr. FOGARTY. Has there been any significant change in these activities during the last year?

Mr. LARRICK. Yes.

Mr. FOGARTY. Do you expect more or less in 1964?

Mr. LARRICK. Where there were only five basic antibiotics subject to certification, the last Congress extended it to all antibiotics. The operation has been enlarged but there is no change in the way we do it. It would be a bigger operation.

REPROGRAMING OF 1963 FUNDS

Mr. FOGARTY. I have a letter from the Secretary regarding reprogramming necessary because of the new duties imposed on you without supplemental funds being available to carry them out. I will put it in the record.

(The letter referred to follows:)

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, January 17, 1963.

Hon. JOHN E. FOGARTY,
Chairman, Subcommittee on Departments of Labor and Health, Education, and Welfare and Related Agencies, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. FOGARTY: Events occurring since the congressional approval of the 1963 budget for the Food and Drug Administration require a substantial revision in the operating plans of that agency.

As you know, the Department of Health, Education, and Welfare Appropriation Act of 1963 included \$28,280,000 for "Salaries and expenses, Food and Drug Administration." This total budget was designed to strengthen a broad range of consumer protection activities through the support of a total staff of 3,012, an increase of 542 positions over the 1962 level. Among the principal activities to receive increased emphasis in 1963 were (1) more intensive regulation of chemicals used on raw agricultural products, (2) bolstering of programs of food research and the establishment of food standards, and (3) improvement of drug surveillance and control activities related to areas, such as preclearance for safety of all new drugs and the investigation of illegal over-the-counter sale of prescription drugs, which have been a part of the responsibilities of the Food and Drug Administration for a number of years. In addition, staff was increased to handle a variety of other consumer protection problems.

Since the time this budget plan was justified before your committee and approved by Congress, circumstances have arisen which we believe warrant a substantial augmentation of these plans. Recent developments associated with use of the drug thalidomide and other drugs have highlighted the need for more stringent controls over the clinical testing of investigational drugs to insure the more complete protection of the health of the public. These controls have been incorporated into new administrative regulations which have just been issued. Concurrently Congress enacted the Kefauver-Harris Drug Amendments to the Food, Drug, and Cosmetic Act. These amendments place greatly broadened authority and responsibility on this Department for the regulation of the manufacture, distribution, promotion, and sale of drugs. Such added responsibilities,

of course, will necessarily require a step-up in the Food and Drug Administration's enforcement activities. More extensive review of new drug applications, more complete evaluation of drugs under clinical study; more intensive inspections of drug manufacturing plants, review of additional records and reports, and review of prescription drug advertising are all examples of new or intensified activities that will require staff and fund resources beyond those available in the regular 1963 budget of the Food and Drug Administration.

These additional requirements were reflected in a 1963 supplemental budget estimate presented to the last session of Congress. This supplemental, which was submitted directly to the Senate because of the lateness of the session, requested \$2.6 million to support a staff increase of 455 positions. As you recall, the Senate allowed \$1.5 million against this request, but the supplemental appropriation bill was not enacted by the Congress.

Because of the urgent nature of the responsibilities imposed by the new drug law and the new drug regulations and because these authorities impose specific deadlines upon us, we believe it important to begin their implementation immediately. We have developed a plan for a phased program for this implementation. The first phase would utilize, to the extent possible, funds which were originally allowed in 1963 for a different purpose. The second phase of this plan contemplates the submission of a supplemental appropriation estimate to the current session of Congress for a further augmentation of our efforts in these fields.

Under the first phase, approximately \$1.3 million of the 1963 already enacted appropriation would be reprogramed so that prompt action can be taken to support selected provisions of the new drug regulations and law. These funds will be used to support an increase of 232 positions and other added costs of strengthening our drug control program. The funds that would be reprogramed are largely available because of construction delays, beyond our control, in the 1963 field district office renovation program and in the construction of new pharmacological laboratory building at Beltsville, Md. We have also reviewed the other programs in the 1963 budget and have concluded that we cannot recommend reprograming beyond the \$1.3 million level. To do so would dilute our consumer protection in areas which, though not associated with the new drug control programs, are providing an important contribution to the protection of the consumer's health and pocketbook.

On the whole, the revised budget plan we have developed will, I believe, recognize the great importance of promptly discharging our duties in 1963 to insure the safety and effectiveness of new drugs and will maintain a balanced program of consumer protection in other areas. Unless you believe that further discussion of these matters is necessary, we will proceed promptly with our plan as discussed above.

Sincerely,

ANTHONY CELEBREZZE,
Secretary.

FOOD AND DRUG ADMINISTRATION

Effect of reprograming action by budget activity

Budget activity	1963 budget		Reprogramming				Adjusted 1963 budget	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Field inspections, investigations, and laboratory analyses.....	1,894	\$17,626,900	-----	-\$1,150,000	+94	+\$673,500	1,988	\$17,150,400
Research and methodology.....	499	4,839,600	-12	-182,000	+27	+106,600	514	4,764,200
Compliance, consultation, and education.....	148	1,660,700	-----	-----	+4	+20,600	152	1,681,300
Medical evaluation.....	152	1,449,000	-----	-----	+92	+477,500	244	1,926,500
Executive direction.....	319	2,703,800	-----	-----	+15	+53,800	334	2,757,600
Total.....	3,012	28,280,000	-12	-1,332,000	+232	+1,332,000	3,232	28,280,000

Source of reprogramed 1963 funds and application to new drug regulations and Drug Amendments of 1962

I. REPROGRAMING OF REGULAR 1963 BUDGET ITEMS

Reprogramed item	Positions	Amount
District office renovation----- Included in this amount are funds originally budgeted for 1st-year fixed equipment purchases for 3 district offices (Philadelphia, St. Louis, and San Francisco). These are districts which, due to circumstances beyond the control of FDA, will not require obligation of these funds during fiscal year 1963 as originally contemplated.		\$500,000
Rental of new space budgeted originally for occupancy in 1963----- This includes funds for rental of additional space in Washington and 7 district offices (Baltimore, Chicago, Minneapolis, New Orleans, Seattle, Boston, and Buffalo). Space at these locations will not be ready for occupancy during 1963 as originally planned. The funds being reprogramed have been computed based on the difference in rental fund requirements resulting from delays in occupancy at each location.		750,000
Funds related to 12 positions originally budgeted in 1963 for the Pharmacological Animal Laboratory----- These funds are being reprogramed because of the delay in the construction of the Pharmacological Animal Laboratory. For this reason, these positions will not be needed until 1964.	12	82,000
Total reprogramming-----	12	1,332,000

II. APPLICATION OF REPROGRAMED FUNDS

	Positions	Amount
A. Implementation of new regulations on investigational drugs----- These new regulations issued by the Secretary of Health, Education, and Welfare on Jan. 8, 1963, require that FDA be notified and given full details about the investigational use of new drugs. The regulations require FDA to review, much as it does now for new drug applications, all "notices of claimed investigational exemptions for a new drug" which will be filed by sponsors of new drugs at the time a drug is placed under clinical investigation. An estimated 2,000 such "notices" are expected to be received in 1963. FDA will also review and evaluate an estimated 1,500 progress reports submitted on investigational drugs; special reports indicating hazards, contraindications, side effects, and other problems concerning the safety of the investigational drug; inspect drug firms to review reports maintained by the sponsor of the investigational drugs that name the investigators to whom the drugs were sent, dates on which they were sent, amounts, batch or code mark of each shipment and delivery; check the sponsors' records indicating the qualifications of the investigators that are testing new drugs; and spot check on a routine basis the investigators named in the "notices" and the sponsors' records.	153	\$885,000
B. Implementation of selected provisions of the Drug Amendments of 1962 as follows: 1. Factory inspection----- Under this provision of the new law, FDA will begin immediately to make inspections of records, files, papers, processes, controls, and facilities of any factory, warehouse, establishment, or consulting laboratory in which prescription drugs are manufactured, processed, packed, or held for interstate commerce. Heretofore, access to manufacturers' records was not available to FDA. FDA will also be permitted to make a full inspection of consulting laboratories engaged in clinical tests, research, or other prescription drug work on behalf of manufacturers. Previously, FDA lacked specific authority in such cases. Inspection of manufacturers' records is expected to increase the average time for an inspection by 5 hours, an increase of 50 percent over the time presently required for a routine drug plant inspection. Authority to make comprehensive inspections of consulting laboratories represents a new FDA workload. Additional inspection time required for this work is estimated to take 10 hours per inspection.	61	358,100

Source of reprogramed 1963 funds and application to new drug regulations and Drug Amendments of 1962—Continued

II. APPLICATION OF REPROGRAMED FUNDS—Continued

	Positions	Amount
B. Implementation of selected provisions of the Drug Amendments of 1962 as follows—Continued		
2. Effectiveness of new drugs-----	18	\$88,900
This provision of the law requires that all new drugs be proved effective as well as safe before they can be marketed. FDA will be required to review all new drug applications to insure compliance in this respect. This review will consider questions pertaining to the pharmacology, chemistry, and general medical aspects of the data submitted with each new drug application as well as verification, by field inspectors, of the control procedures and clinical experience supporting the application. It is estimated that the review of an application for efficacy will double the work now required for review of safety. An increase in the number of regulatory actions is expected, as well as an increase in workloads involving interpretation of the law, clarification of industry responsibilities under the law, replies to inquiries, etc. Inspection of manufacturers' facilities will increase the average time for a plant inspection by 8 hours over that now required for a safety inspection.		
Subtotal, Drug Amendments of 1962-----	79	447,000
Total, new regulations and new law-----	232	1,332,000

ADMINISTRATIVE DIFFICULTIES IN CONNECTION WITH NEW DRUG REGULATIONS

Mr. FOGARTY. On page 2 he says:

Because of the urgent nature of the responsibilities imposed by the new drug law and the new drug regulations and because these authorities impose specific deadlines upon us, we believe it important to begin their implementation immediately. We have developed a plan for a phased program for this implementation. The first phase would utilize, to the extent possible, funds which were originally allowed in 1963 for a different purpose. The second phase of this plan contemplates the submission of a supplemental appropriation estimate to the current session of Congress for a further augmentation of our efforts in these fields.

Under the first phase, approximately \$1.3 million of the 1963 already enacted appropriation would be reprogramed so that prompt action can be taken to support selected provisions of the new drug regulations and law. These funds will be used to support an increase of 232 positions and other added costs of strengthening our drug control program. The funds that would be reprogramed are largely available because of construction delays beyond our control * * *.

Where are you going to put these people?

Mr. LARRICK. Well, we are having grave difficulty up to now finding a place to put them. It is very difficult to get doctors in the first place. And if you have undesirable places to put them, why, it complicates your problem. I have asked the Secretary, and he has given me assurance that they will do everything in God's world to get us places to put these people. And hopefully the folks that you will approve in this next budget also.

Mr. FOGARTY. It is getting to be a very difficult thing to do in Washington, isn't it?

Mr. LARRICK. It is one of our real bottlenecks.

Mr. KELLY. Our biggest problem in connection with the Food and Drug Administration is and has been the inadequacy of laboratory space. As you know, we have a pitifully overcrowded situation down in the South Agriculture Building. We hope to relieve it when we

move into the new building. But between the time the laboratory is available in the new building and now we are faced with a real problem. We are considering various ideas. We do have some additional space we have allocated to the Food and Drug Administration in one of the temporary buildings on Independence Avenue. We are trying to find out if there is any way in which we can move office people out of space in the Agriculture Buildings and temporarily use it as laboratory space. But we are doing everything we can to meet this situation. And we will admit that we have not been anywhere near as successful in the last couple of years as we had hoped to be.

WORLDWIDE FOOD PRESERVATIVE STANDARDS

Mr. FOGARTY. I have an information sheet of the European Community Information Service:

Common Market Council to act on standardizing legislation on use of preservatives in foods.

This was February 20.

The Commission of the European Economic Community Common Market has just submitted to the EEC Council of Ministers a draft directive on steps to be taken toward standardization of the six member countries' legislation governing preservatives used in foodstuffs.

Do you have any liaison with this group?

Mr. LARRICK. Mr. Harvey has been over there.

Would you care to speak on this?

Mr. HARVEY. Yes.

Mr. FOGARTY. He says the standard list of preservatives contained in the draft directive was prepared with the following principles in mind: Protection of public health, protection of the consumer against fraud, and practical economic requirements.

Mr. HARVEY. Well, the Common Market countries early embarked upon a proposal to develop common standards among those six countries. And in many respects they are in conflict with the opinions or the regulations of other countries. What has been done is to organize, through a joint conference in FAO and WHO, to set up an international Codex Alimentaris set of standards for foods in which all of the member nations are participating, and to bring the deliberation of the Common Market countries into this so that there can be general review and acceptance or rejection to prevent the Common Market countries from going on their own with standards the other countries cannot recognize.

Mr. FOGARTY. Are you satisfied with the progress that is being made?

Mr. HARVEY. Well, we met in October in Geneva and drew up a charter for a commission, the first meeting of which will be in June. This is an international commission which will begin the work of developing actual standards.

Mr. FOGARTY. Where will this take place? In Geneva, at the major June meeting?

Mr. HARVEY. This is to be in Rome. But it will probably move between Geneva and Rome and possibly some of the meetings will be in this country.

Mr. LARRICK. Progress is very slow to try to get all these countries to agree.

Mr. HARVEY. It is not entirely smooth. There is considerable pull and tug in different directions as between the Common Market group and some of the other nations there. But many of the difficulties have been ironed out. It is impossible to prevent establishment of regional standards, just the same way it is impossible to prevent the establishment of national standards, because they are sovereign in their own rights. But every effort is being made to try to keep the localization of the standards in bounds. And the member nations, including the six Common Market nations, are committed to the program, with France abstaining financially.

Mr. FOGARTY. Do you think you are ever going to be successful in developing common standards?

Mr. HARVEY. Yes, I think so. But I think it will be a very slow process.

Mr. FOGARTY. How is that going to affect the consumers of this country?

Mr. HARVEY. Well, so far as imported products are concerned that enter this country, they will have to conform to the standards of the United States.

Mr. FOGARTY. What about exports?

Mr. HARVEY. They will have to conform to the standards of the country to which they go.

Mr. FOGARTY. Which could be not as stringent as ours?

Mr. LARRICK. Yes. And some could be more stringent. It could work both ways.

Mr. FOGARTY. Where?

Mr. LARRICK. Germany, for example.

Mr. HARVEY. They may not necessarily be more stringent, but they may be quite different. Certain percentages of chemical residues, for example, that we have recognized as being entirely safe, for reasons not apparent in science they do not recognize.

(A news release referred to above follows:)

COMMON MARKET COUNCIL TO ACT ON STANDARDIZING LEGISLATION ON USE OF PRESERVATIVES IN FOODS

WASHINGTON, D.C., February 20.—The Commission of the European Economic Community (Common Market) has just submitted to the EEC Council of Ministers a draft directive on steps to be taken toward standardization of the six member countries' legislation governing preservatives used in foodstuffs.

The directive, which establishes a single list of preservatives to be used to protect food against deterioration, is based mainly on the Council directive adopted in October 1962 on the harmonization of member states' laws on use of coloring material in food products.

The new directive applies to foodstuffs and preservatives imported into the Community, as well as to Community products. When it enters into force, the member states will have 1 year in which to amend their laws and 2 years in which to apply the directive fully.

An annex to the directive includes a list of authorized preservatives—including those which may be mixed in foodstuffs and those which may be used solely on the surface. The directive also contains provisions on the general purity requirements which authorized preservatives must fulfill and conditions under which food may be smoke cured. It does not affect the provisions of national legislation concerning certain food products with other uses (such as vinegar, sugar, and alimentary oils), products used for coating (except paraffin wax),

products for combating organisms harmful to plant life, antibacterial products for use in drinking water, and antioxydant products.

Packaged preservatives will have to be marked in specified ways.

The standard list of preservatives contained in the draft directive was prepared with the following principles in mind :

- (a) Protection of public health ;
- (b) Protection of the consumer against fraud ;
- (c) Practical economic requirements.

The draft was drawn up with the help of a scientific committee and of experts from the governments of the member countries. The Union of Industries of the European Community and the Consumers' Liaison Committee were also consulted.

KREBIOZEN INVESTIGATION

Mr. FOGARTY. They tell me that the problem of Krebiozen has been transferred to you.

What are you doing about it ?

Mr. LARRICK. Mr. Jones, Assistant to the Secretary for Health and Medical Affairs, acting for the Secretary, has written a letter to the representatives of the Krebiozen group and told them that the National Institutes of Health and the Food and Drug Administration would jointly act for the Department.

Mr. FOGARTY. I thought you were given sole responsibility.

Mr. LARRICK. We have been given certain assignments.

Mr. KELLY. What the Secretary had told the Chairman, Mr. Larrick, was that heretofore we had been operating in the Krebiozen field because of a request from the Federal court in Illinois and now that Krebiozen comes under the regulations for experimental drugs, an evaluation must be made to determine whether you could authorize continued experimentation.

Mr. LARRICK. Exactly.

Mr. KELLY. But the Food and Drug's authority now comes into play in a way in which it had not heretofore.

Mr. LARRICK. That is true.

USE OF PLASTICS IN MEDICAL PRACTICE

Mr. FOGARTY. I think I contacted your office about this before. I received a letter from some doctor in Texas. He said :

Unfortunately, there has been little evidence that the FDA is really studying the potential problem of the use of plastics in medical practice. I for one have not been able to receive any concrete information on what the FDA has done or is doing on the subject.

Mr. LARRICK. On plastics in medicine ?

Mr. FOGARTY. Yes. Use of plastics in medical practice.

Mr. LARRICK. We have proposed, Mr. Chairman, that legislation is needed in this field that would impose the same types and kinds of controls over orthopedic therapeutic devices used by surgeons and others that are now imposed in the case of drugs. We are very conscious of problems in plastics and in other types of therapeutic devices.

For example, I think I mentioned here before about the pins that a surgeon puts in old people's hips when they break their hips. And there is no standard for those materials. And after a year or two, why, the body fluid dissolves the pin, and the whole surgery has to be done over again. So, included in the legislation that we have repeatedly recommended and that the administration has endorsed a

great deal more control would be authorized over this sort of thing. To date that legislation has not passed. In the meantime the burden is on us.

Mr. FOGARTY. What is the main reason it has not passed?

Mr. LARRICK. Well, to try to appraise why something doesn't happen in Congress is perhaps—

Mr. FOGARTY. No. I mean hasn't there been any outside interest in backing this kind of legislation?

Mr. LARRICK. Not enough to put it across.

Mr. FOGARTY. Is there much opposition to it, organized opposition, on the outside?

Mr. LARRICK. There is organized outside interest in seeing just what the definitions are and what the controls would be that would be exercised. But up to now, no, there has not been any organized opposition that has come up above the surface at least.

RECENT CRITICISM BY MEMBER OF THE OTHER BODY

Mr. FOGARTY. Mr. Larrick, a member of the other body made quite a speech a while ago about your organization. As I remember he called it a 19th century operation.

What does he mean by that?

Mr. LARRICK. Well, I would say that he thinks we are behind the times a little bit.

Mr. FOGARTY. Do you agree with him?

Mr. LARRICK. Well, yes; I think that he is not conservative in his choice of words to put his point across. But I think we, with some help, could advance our scientific talents. I think you know that we think we have a good scientific group in our Bureau of Biological and Physical Sciences here in Washington and in our Bureau of Medicine and in our 18 field laboratories. We have a total of 1,030 positions requiring degrees in science in our current budget.

Mr. FOGARTY. I think you should have an opportunity to state your side of it, so will you prepare a statement on these criticisms and place it in the record?

REPORTING PROGRAM FOR ADVERSE DRUG REACTIONS

On the Science Information Exchange, he said: "The program of collecting drug reactions is obsolete." And "FDA itself has had a microscopic adverse reaction reporting program."

(Mr. Larrick's comments follow:)

ADVERSE REACTIONS REPORTING PROGRAM FOR DRUGS

BACKGROUND

Under the statutes for which FDA is responsible, new drugs are required to be evaluated for safety (and now for efficacy under the Kefauver-Harris Drug Amendments of 1962) before they are permitted to enter the American market. The evaluation consists of reviewing data submitted by drug firms describing formulations, ingredients, the results of animal and clinical tests, and the like. Although every effort is made by FDA to obtain precise and detailed data from drug firms to help the agency evaluate a new drug, and although, for the most part, the drug industry is cooperative in this effort, it has, nevertheless, been the experience of the Food and Drug Administration that, on occasion, wide clinical use following approval of a new drug brings to light various adverse effects that

were not apparent during the investigative studies performed by the drug industries and thus not reported in the data they submitted with their new-drug applications.

Until the Kefauver-Harris Drug Amendments of 1962, there was no mandatory requirement for firms to report adverse reactions to FDA once a new-drug application had been approved. Under the new law, however, such reports are required from drug manufacturers. The Food and Drug Administration also has broader inspectional authority to check industry records and files.

Since the original drug safety clearance law was enacted, FDA has had to rely mainly on published literature and sporadic voluntary reports from the drug industry, physicians, and other institutions to obtain information about adverse reactions to new drugs. Realizing that dependence on such sources of information was not providing FDA with a broad enough or complete picture of the effects new drugs were having once they were marketed and used on a broad clinical basis, it was decided a number of years ago to attempt a new program that would enlist the cooperation of hospitals throughout the Nation in reporting adverse reactions directly to the Food and Drug Administration. In 1955 FDA initiated a pilot study to test the feasibility of such a reporting system. In cooperation with other Federal agencies and national organizations, such as the American Association of Medical Record Librarians, the American Society of Hospital Pharmacists, the American Hospital Association, and the American Medical Association, basic reporting procedures were developed. The success of this pilot study led to the establishment of a formal adverse reactions reporting program early in 1960, which has been in operation since then.

Recent enactment of new drug laws will not lessen the need for this program. Despite the new responsibility of drug firms to report cases of adverse reactions to FDA under the Kefauver-Harris Drug Amendments of 1962, it will be impossible for the agency to rely solely on this source of information to obtain a full picture of the effects that various new drugs are having when used on a wide scale. FDA will continue to need more sources for prompt reporting of possibly significant reactions from drugs. The main reason for this is that, although drug firms are required to report adverse reactions from drugs in commercial use, there is no similar requirement that individual physicians file such reports. Thus, since the manufacturer must rely largely on voluntary information from individual physicians, FDA cannot rely on the drug firms themselves as its sole source for such information.

THE CURRENT PROGRAM

Considerable progress has been made under the program established in 1960. The budget for contracts with hospitals has grown from \$30,000 to \$47,000 and the staff working on developing liaison with medical institutions and obtaining contractual agreements from such institutions has grown from three in 1960 to nine in 1963. In addition to such contacts, this staff also receives all information constantly being sent to FDA and prepares this information for more detailed review by the medical staff of the Food and Drug Administration. The number of participants under contract has increased from 9 in 1960 to 26 as of December 31, 1962. In addition, there were 55 institutions participating without fee as of that date. As of March 1, 1963, a total of 157 institutions are participating, an increase of 76 since December 31. During the first half of fiscal year 1963, FDA received 1,712 reports of adverse drug reactions involving 250 drugs under the program. Attempts are currently in progress to bring the Nation's Veterans' Administration hospitals under the program and FDA is making constant progress in obtaining the support of additional private and Government institutions.

It should be emphasized that the adverse reactions reporting program is complemented by various other means of obtaining information about adverse drug reactions. FDA's medical staff, for example, is constantly reviewing drug literature to detect any indication of adverse reactions. This means of obtaining information played a considerable role in FDA's success in keeping the Nation from suffering the tragic effects of the unfortunate thalidomide episode.

In addition, as pointed out previously, FDA is constantly receiving adverse reports from drug firms (and this will now be required of industry under the Kefauver-Harris amendments) as well as from individual physicians and patients. In addition, the program is complemented by FDA's new authority to inspect files and other reports maintained by the drug industry—a specific authority heretofore unavailable to FDA—and by attendance at scientific and medical symposia.

The adverse reactions reporting program is paying dividends for FDA and American consumers. A number of reports have called attention to harmful drugs which otherwise might have remained on the market for some time before their adverse reactions were fully recognized and reported. These reports, in turn, led to further FDA investigation which subsequently led to revision of labels and warning statements making it safer to use the drug. A recent example involved a drug that had been on the market for 3½ years. A hospital participating in FDA's program reported two severe reactions to the drug when administered intravenously. One reaction caused death. This led FDA to request the maker of the drug to supply adverse reaction reports that he might have received. Three such reports had indeed been received. This information in turn led FDA to demand a change in labeling so that a warning would be available to physicians indicating that intravenous use of the drug should be in emergencies only.

FUTURE OF THE PROGRAM

The question of the adequacy of this program has been made the matter of special evaluation by an FDA study group assigned to review FDA's scientific information activities. The group, headed by the Assistant Commissioner for Science, was asked by the Commissioner to evaluate this program in particular and to make recommendations concerning its future scope and character. The study group has not yet completed its work but expects to file a written report on the adverse reactions reporting program within the next 30 days.

With the Kefauver-Harris Drug Amendments of 1962, it becomes almost mandatory that this or some similar system be operated to handle reports of adverse reactions, including reports now required to be submitted to FDA by the drug industry, to assure that the reports will be properly processed and given the full attention of FDA's medical and scientific staff.

FDA SCIENTIFIC STAFF

Mr. FOGARTY. In the scientific program he said "FDA science has heretofore been relatively isolated." And "FDA's inhouse scientific competence must be upgraded."

(The Department's comments follow:)

I. IMPROVEMENTS IN FDA SCIENTIFIC STAFF

Background

Scientific research and development are intimately bound to the growth and advancement of the industries that are the concern of the Food and Drug Administration. The myriad new products and radical improvements in old products that are the results of scientific discovery and development in these industries demand that the technical and scientific staff of FDA be adequate in numbers and highly qualified in the skills and knowledge needed to keep pace with the rapid and startling changes in development, production, transportation, and marketing of the Nation's drugs, foods, and cosmetics. For example, the food industry spent more than \$100 million (over three times the budget of the Food and Drug Administration) in 1962 inventing and developing new products; this is twice what it spent 5 years ago. Of all the food products available to the housewife today, two-thirds did not exist 10 years ago. It is estimated that the drug industry will spend about \$300 million (over 10 times FDA's budget) in 1963 for research. The need for an adequate and highly skilled staff of scientists and the need for training and other development to keep this staff functioning at the top of its capabilities have always been primary concerns of FDA, particularly as the industries of concern to FDA have come to depend more and more on the discoveries and developments of science.

Increases in FDA scientific staff since 1957

Following the first Citizens Advisory Committee study, FDA has placed increased emphasis on broadening and sharpening the capabilities of its scientific staff. In 1957 this staff numbered 277; this has been increased to a total of 976 in 1963, an increase of over 300 percent. In 1957, total headquarters scientific personnel numbered only 95; this has been increased to a total of 338 in 1963,

again, an increase of more than 300 percent. These numbers do not include medical officers and veterinarians; in 1957 there were only 17 full-time medical officers and veterinarians assigned to headquarters scientific operations, this number has risen to 101 in 1963. Of the total staff authorized for FDA in 1963, 40 percent are scientific, medical, and laboratory supporting personnel compared with 37 percent in 1957.

Increases in numbers alone will not solve FDA's challenge to meet the scientific problems posed by rapid and revolutionary changes in the science and technology of drug, food, and cosmetic research, production, and distribution. These challenges must also be met by every possible effort to obtain the best qualified scientific personnel available and by maintaining and improving the abilities of FDA's present scientific staff.

Efforts to obtain highly qualified scientific personnel

The factors which make for high professional standards in any organization are numerous. Of primary importance is the quality of the scientists available for the positions. Here competitive forces play an important part. Higher salaries elsewhere for comparable positions will attract the qualified away from FDA. It takes a high order of dedication to the public to keep a good scientist working for FDA when he can get a higher salary and perhaps better working conditions elsewhere. There are, however, many such dedicated persons in FDA. Nevertheless, FDA has lost many good people who have found industry pay and working conditions more attractive than FDA's.

HIGHER SALARY LEVELS

FDA's efforts in recent years to obtain higher salaries for its scientific personnel have been progressing slowly though steadily. A number of successful endeavors have lent encouragement to FDA's efforts in this area. For example, FDA has, for many years, sought to increase the number of its higher salaried scientific positions covered under Public Law 313 (salaries ranging from \$16,000 to \$20,000). The number of these positions is limited by law. However, FDA was successful in obtaining 12 of the 13 Public Law 313 positions allocated to HEW in the past several years. Two of these positions have been received since October 1960.

In addition to its requests for allocation of additional Public Law 313 positions, FDA has requested additional supergrade positions. At present, FDA has seven such positions. FDA will continue its efforts to seek additional supergrade positions to upgrade its professional staff.

In FDA's opinion the recently enacted Federal Salary Reform Act will provide some improvement in the area of better salaries and higher grades for its professional personnel. This new law now authorizes the Civil Service Commission to approve, without numerical limitation, certain scientific positions for supergrade salary ratings. These positions are in addition to the overall quota for supergrades established by law. As a result of this new provision FDA, in September 1962, requested approval of 101 such supergrade rated positions for its scientists and medical officers.

HIGHER THAN MINIMUM ENTRANCE RATES

For the past 4 years, FDA has either initiated proposals for higher entrance rates or has participated actively with other agencies in such proposals. Due to these efforts the Civil Service Commission has approved higher entrance rates for chemists, pharmacologists, and medical officers.

Since October 1960 FDA has received some benefits in this area. In August 1961 the FDA recommended that the salaries of chemists be raised to the top of the grade for all grades. This proposal was not completely adopted but the GS-5 and GS-7 chemists are currently paid at entrance at the sixth step and the GS-9 and GS-11 are paid at the third step.

FDA proposed at the same time that the salaries for pharmacologists be raised to the top step for all grades. This proposal was approved by the Civil Service Commission on January 29, 1962. However, after the enactment of the Federal Salary Reform Act of 1962 the Commission readjusted the entrance steps of pharmacologists to step 6 for GS-7, step 5 for GS-9 and GS-11, step 4 for GS-12, 13, and 14, and step 2 for GS-15.

FDA also proposed top-of-the-grade entrance rates for medical officers. This proposal was approved by the Civil Service Commission on December 22, 1961. In the readjustment after the Federal Salary Reform Act of 1962 was enacted the Commission maintained the salary levels but lowered the entrance steps.

FDA is monitoring the entrance salaries paid to the kind of scientists that we need and will make proposals for increases until Government salaries are competitive with private enterprise.

IMPROVEMENTS IN SCIENTIFIC FACILITIES

Aside from salaries and other monetary benefits, one of the most difficult problems confronting FDA in its efforts to obtain and retain highly qualified personnel has been the availability of adequate space and facilities particularly for its laboratory operations. FDA has failed on a number of occasions to hire new scientists and has lost a number of its present scientific staff because they did not like the antiquated and cramped quarters available for the scientific work. Some relief from this problem is now in sight. The new FDA building now under construction in downtown Washington will go a long way toward relieving FDA's critical laboratory space problems. Continued growth and added new responsibilities will require additional facilities in the very near future if FDA is to operate effectively and provide a climate attractive to qualified prospective employees particularly in the scarce categories.

In an attempt to keep pace with the growing and changing needs of its scientific staff, FDA has a continuing program to improve and modernize the buildings and facilities for its scientific staff. In 1958 FDA began a program to modernize all 18 of its district office buildings; these facilities combine laboratory space for scientists and office space for inspectors and administrative personnel in the field. Under this program, funding for the complete modernization of a district is planned on a 2-year basis. Through fiscal year 1963 funds have been obtained to begin the first-year phase of modernization for all 18 districts and to complete both phases of the program for 13 of the 18. Since 1958 over \$4 million has been appropriated to FDA for improvement of its buildings and facilities. During the past several years, FDA has also made considerable progress in a continuing program to replace and modernize the specialized equipment used by its scientific staff. Since 1957 over \$3 million has been appropriated for this purpose. Each year it becomes increasingly important that the inventory of equipment be brought up to date to keep abreast of technological changes and that newly designed equipment be added to FDA's inventory to provide its scientific staff with the resources and instrumentation they require to meet present-day levels of performance. FDA's continuing program to replace and modernize scientific equipment has been designed to meet these needs.

Increased training of FDA professional personnel

FDA has developed a broad training program that cuts across all segments of the Food and Drug Administration staff from the incoming inspector and chemist to the long-term scientific and medical officer and those holding managerial positions. FDA has taken advantage of the National Training Act (Public Law 85-507) in increasing scope. This law provides for training in non-Government facilities, in colleges, universities, and other institutions of higher learning. This law has been used to broaden the educational opportunities of FDA's scientists. FDA's program in this regard has been highly praised by the Civil Service Commission following a recent study the Commission made of our training program.

A large number of training manuals have been developed in recent years for the training of scientific and professional staff.

Following is a table summarizing the training activity of the Food and Drug Administration since 1958. This tabulation reflects our stepped-up program to improve professional standards within the Food and Drug Administration.

Number of persons trained by program

Major program area	Fiscal year					
	1958	1959	1960	1961	1962	1963 projected
Drug analysis.....				37	348	400
Drug inspection.....				32	46	150
Sanitation, including bacteriological.....	48	40	60	99	110	150
Pesticides.....			41	10	5	30
Radiological.....		40		32	5	40
Instrumentation.....			25	117	70	115
Basic course, professional employees.....			120	329	303	430
General orientation.....			100	229	433	500
Management.....	60	50	60	75	173	330
Training under Public Law 85-507 (Training Act).....			75	123	208	300
Other (includes automatic data processing, clerical and administrative training).....			190	314	1,005	600
Total.....	108	130	671	1,397	2,706	3,045

In addition to the manuals that have been prepared and the specific training courses which have been presented, FDA has attempted to promote a climate that would encourage continued self-education, membership in professional societies, attendance at professional and scientific meetings, and active participation in scientific and professional efforts. In this connection during the first half of fiscal year 1963 FDA spent over \$35,000 for attendance of its scientists, medical officers, and other professional personnel at professional and technical meetings in order that they might keep abreast of developments and current advancements in their respective fields. The following table shows FDA activity in this area :

Type of meeting	Number of meetings attended	Type of FDA employees attending
Scientific:		
Chemical.....	28	Directors of technical divisions, analysts, chemists, chiefs of technical branches, biochemists, medical doctors, and veterinarians.
Medical.....	28	Medical doctors, veterinarians, pharmacologists, and other key personnel working in this field.
Statistical.....	2	Statisticians.
Legal.....	1	General Counsel.
Public information.....	2	Director of Division, consumer consultant
Administrative.....	1	Administrative officer.

In spite of salary, space, and other inhibiting factors, FDA does have a staff of scientists and professional personnel who are a dedicated, conscientious, and well-qualified group. For example, in BPS there are at present 346 scientists in professional positions. Of these, 85 hold the Ph. D degree, 6 M.D., 5 D.V.M., 69 master of science, 178 bachelor of science, and three other types of degrees. Thus, FDA has a high proportion of highly trained scientists at the Ph. D. and M.D. level in its scientific programs.

In the Bureau of Medicine, there are 46 persons who hold M.D. and D.V.M. degrees. Also in this Bureau, 16 persons hold scientific degrees who evaluate the chemical and other scientific information contained in new drug applications and other types of petition material.

Besides their academic achievements, the accomplishments of FDA's scientific and professional personnel in the last several years have brought them distinguished service awards, superior service awards, and awards for scientific achievement endowed by private corporations and agencies. For instance, Dr. O. L. Kline, Assistant Commissioner for Science, is the recipient of the Department's distinguished service award which is the highest award conferred by the Department of Health, Education, and Welfare. This past year Dr. Frances O. Kelsey received the President's Award for Distinguished Federal Civilian Service; Mr. Fred Hillig, a recently retired FDA chemist, received the Borden Award

for his accomplishments in the field of dairy chemistry. Dr. Arnold J. Lehman, an internationally recognized pharmacologist, has received numerous awards including the Distinguished Service Award, the Harvey M. Wiley Award for outstanding service in administering the Federal Food, Drug, and Cosmetic Act, the Julius Sturmer Memorial Lecture Award for his outstanding contributions in the field of public health, and others. In addition, many of our scientists are active in scientific associations and hold high office. Dr. K. L. Milstead, of our Bureau of Enforcement, was the president last year of the Association of Official Agricultural Chemists. Others in FDA hold high positions in this association.

From the foregoing it is evident that FDA has and is continuing to exert every effort to upgrade its scientific professional staff both in terms of salaries, grades, and other similar benefits and also to provide them with a favorable working environment by providing adequate space, equipment, and facilities. Some progress has already been made and future successes appear encouraging.

II. IMPROVEMENTS IN FDA'S SCIENTIFIC ORGANIZATION

Expanding and improving a scientific staff alone does not assure that these personnel can make the maximum use of their skills to contribute the most to the programs of the Food and Drug Administration. A major determinant of the effectiveness of FDA's staff of scientists is the organization of these personnel. In 1956, after a careful analysis of its organizational needs and purposes and in light of recommendations of the First Citizens Advisory Committee, FDA consolidated its technical and scientific divisions in Washington into two new Bureaus, the Bureau of Biological and Physical Sciences and the Bureau of Medicine. The first of these Bureaus combines what were formerly seven separate scientific divisions. It now represents the following scientific disciplines: bacteriology, biology, chemistry, pharmacology, physics, and others. The medical functions of FDA were combined into the second of these Bureaus, the Bureau of Medicine, thereby raising the status of these activities from a division to a bureau level. This Bureau now comprises FDA's medical activities concerned with antibiotics, drugs, medical reviews, new drugs, medical research and reference, and veterinary medicine. The continuing concern of FDA for its scientific organization has as its central purpose the efficient and effective direction of its scientific and medical operations to consolidate these activities and to increase their status within the overall organization.

Since the scientific organizational changes made in 1956, FDA has continued to study its overall organization for further changes or additions that would increase the effectiveness and stature of its scientific programs. In 1959 a position of Scientific Director was created within the Office of the Commissioner; this position has since been raised to the level of Assistant Commissioner for Science. In recognition of the primary role that science plays in the programs of FDA and in the development of the industries of concern to FDA, the Assistant Commissioner for Science is intended to provide overall direction for FDA's scientific programs. Equally important, he provides advice to the Commissioner on the broad direction of research and development activities in the scientific community at large as this might affect the policies, programs, and activities of FDA. In addition, the Assistant Commissioner for Science provides official liaison with scientific organizations, professional groups, and individuals outside FDA.

In 1961 a separate organizational unit, the Data Automation Branch of the Division of Management Systems, was organized and staffed. This unit will work on improved scientific information and data handling systems as part of an overall effort to improve the utilization and dissemination of scientific information both internally and with outside organizations and groups.

In recognition of the tremendous development and growth in the drug industry and to implement new regulations and legislation enacted in 1962, FDA reorganized its Division of New Drugs in December 1962 to provide the organizational structure necessary to meet the increased workloads arising from these developments. This and the other examples of organizational change within the agency reflect FDA's continuing concern that its organizational structure, particularly its scientific organization, be changed and improved as needed to meet the challenges of science in the 20th century.

BUREAU OF MEDICINE

Mr. FOGARTY. He also said, "High officials have apparently been content to leave the Bureau of Medicine stagnate as a scientific backwater."

(Department's comments follow :)

STRENGTHENING OF THE BUREAU OF MEDICINE

The Bureau of Medicine as a separate and individual organizational entity of the Food and Drug Administration was established in 1956 following the study of the First Citizens Advisory Committee. At that time, all of FDA's medical officers were placed under the organization, and various chemists and food and drug officers who had been working on the evaluation of new drugs, as well as on other drug matters, were assigned to the Bureau as well.

Since the Federal Food, Drug, and Cosmetic Act of 1938 was enacted, the Food and Drug Administration has always placed its drug program on a priority basis, realizing the important significance of drugs to the health of the American consuming public. Since one of the major responsibilities in the drug area is to evaluate the safety of all new drugs prior to marketing, and since this evaluation is largely made in the Bureau of Medicine, it follows that the needs of that Bureau have also received priority treatment. Among other factors, the ability of FDA to strengthen the Bureau has been limited by budgetary factors and by various difficulties in finding qualified medical personnel who are willing to undertake the awesome life-and-death responsibilities required of personnel in this Bureau for remunerations which are often far less than can be realized in private practice. For that reason, serious efforts have been made to (1) obtain additional appropriations to enlarge the Bureau of Medicine's staff and (2) develop personnel policies, both in FDA and at the Federal level as a whole, that would help FDA recruit and keep medical officers.

These efforts have shown results. In 1956, at the time the Bureau of Medicine was formally established, it had a total staff of 46. In 1963 the Bureau's staff is 244, for an increase of 430 percent. It is important to note that during the same period, FDA's overall staff increased from 877 to 3,232, for an increase of 268 percent. It is quite clear, therefore, that the Bureau of Medicine has been given full consideration in the years since 1956 when appropriations have been available to FDA for expansion. During this time the number of medical officers and veterinarians available to the Bureau of Medicine increased from 16 to a budgeted 101 in 1963.

In terms of appropriations, whereas the Bureau of Medicine had a budget of \$325,000 in 1956, in 1963 its budget has increased to \$1,990,000, an increase of 512 percent. This compares with a 374 percent increase in FDA's overall appropriations during the same period.

As for the Division of New Drugs—that unit within the Bureau of Medicine that is responsible for evaluating new drug applications—here, also, considerable progress has been made since 1956 to strengthen it and to provide it with the resources necessary for it to fulfill its heavy responsibilities. Whereas it had a staff of 13 in 1956, the Division of New Drugs will have a staff of 136 in 1963.

Recently, the Division of New Drugs of the Bureau of Medicine was reorganized in an attempt to strengthen its operations by (1) providing better utilization of manpower; (2) improving lines of communication; (3) making clearer delineations of responsibility; and (4) improving liaison with other groups both within and without FDA that can provide valuable information to assist the Division in undertaking its vital life and death responsibilities.

In addition to increasing the staff of the Bureau of Medicine, every effort has been made to permit its medical officers to attend professional meetings and conferences in their area of work. In 1962, for example, over \$33,000 was spent for travel and per diem by the Bureau of Medicine, including travel to conferences, meetings, and for training.

In its investigation of the Food and Drug Administration's drug programs in 1960, the so-called Bronk Committee, made up of leading medical and other experts from the academic world, concluded that, although FDA lacked the statutory authority and the staff to provide truly adequate consumer protection against harmful drugs, the basic philosophy and policies of the Agency in operat-

ing its drug programs were sound and directed to best meet public health and welfare requirements. No findings were made that the Food and Drug Administration was in any way deliberately or otherwise following a policy of holding back the Bureau of Medicine by not providing it with its full share of the Agency's overall resources.

The major problem currently facing the Bureau of Medicine is the difficulty being experienced in securing a Medical Director to administer the programs and activities of the Bureau. Among the many difficulties facing FDA in its effort to fill this key post is the salary limitation of \$20,000 per year.

FIRST CITIZENS ADVISORY COMMITTEE REPORT

Mr. FOGARTY. Then he raised the question, "Why was the First Citizens Advisory Committee report virtually ignored in the past 7 years?"

(Department's comments follow:)

IMPLEMENTATION OF FIRST CITIZENS ADVISORY COMMITTEE RECOMMENDATIONS

The report of the First Citizens Advisory Committee was published in June 1955. This report contained 100 specific recommendations or observations for the expansion and improvement of the programs and operations conducted by the Food and Drug Administration. These recommendations can be grouped into three major areas. These areas and the number of recommendations falling under each are indicated below:

I. Recommendations pertaining to increased appropriations for staff, space, and equipment

Number of specific recommendations: eight.

II. Recommendations pertaining to new activities or substantially increased activity in specified areas

Number of specific recommendations: 47.

III. Recommendations pertaining to planning, programing, and administrative functions

Number of specific recommendations: 45.

Of the 100 specific recommendations, 69 have been either fully or substantially accomplished up to the present time. Of the remaining 31 recommendations, 26 have been partially carried out or are still in the process of being fully implemented. Thus, only five recommendations have received little or no implementation to date. In the 8 intervening years since the First Citizens Advisory Committee report was issued, over 95 percent of the recommendations contained therein have received FDA recognition and implementation. The report has been used during this time as a guide for FDA planning, for effecting program improvements, and as a stimulus for the initiation of new techniques and approaches to improve consumer protection.

Following is a discussion of the progress FDA has made in implementing the recommendations falling under each of the three major areas outlined above:

I. Recommendations pertaining to increased appropriations and staff and improvements in space and facilities

Probably the most significant recommendation embodied in the report of the First Citizens Advisory Committee concerns a threefold to fourfold increase in staff and facilities in a period of 5 to 10 years. Implementation of this recom-

mentation has been most successful as evidenced by the following table which shows increases in staff and funds for enforcement activities since 1957, the first year of implementation of the CAC report:

Year	Authorized staff	Appropriations
1956 (base year)-----	877	\$6, 144, 000
1957-----	1, 031	6, 779, 000
1958-----	¹ 1, 180	¹ 9, 635, 000
1959-----	¹ 1, 312	¹ 10, 917, 000
1960-----	¹ 1, 660	¹ 13, 800, 000
1961-----	¹ 2, 199	¹ 18, 848, 000
1962-----	¹ 2, 470	¹ 23, 000, 000
1963-----	¹ 3, 232	¹ 29, 106, 000
Threefold expansion-----	2, 631	18, 432, 000
Fourfold expansion-----	3, 508	24, 576, 000

¹ Includes resources for new legislation. Federal pay raises and programs which have changed significantly in scope and direction since the first CAC study.

As indicated in the above table, FDA has been successful in obtaining substantial increases in staff and funds since the Citizens Advisory Committee study. This accomplishment has contributed, in large measure, to FDA's ability to achieve a high degree of success in implementing the numerous other recommendations contained in the Committee's report.

As a result of increased appropriations, FDA has been able to replace all of its obsolete equipment, particularly its scientific instrumentation, with new modern instruments and equipment. This equipment not only saves manpower through increased speed of operation but is also capable of performing tests and analyses heretofore unattainable. Such sensitive and efficient equipment is necessary to permit FDA to keep abreast of the rapid changes in modern technology and to provide the highest possible degree of protection to consumers. To maintain its present high status of instrumentation FDA, through an annual allocation of funds, operates an equipment replacement inventory program which provides for the replacement of all obsolete equipment whose normal useful life expectancy has been reached. Such program permits FDA to maintain its scientific equipment both at headquarters and in the field laboratories at a high state of modernization and operating efficiency.

In the case of physical facilities, FDA has made considerable progress in implementing this phase of the Citizens Advisory Committee recommendation. At Washington headquarters, a new FDA building is now under construction. When completed, this building will house the bulk of FDA's scientific operations and will provide limited space for administrative use. Limited occupancy with administrative personnel is scheduled to begin after September 1, 1963. Laboratory occupancy is scheduled to begin in the spring of 1964 and will be completed by the fall of 1964. In addition to this central FDA facility, an animal research facility for large animals has been recently completed at FDA's Beltsville location. This facility will be used by FDA's veterinary medical research staff (engaged in the evaluation of veterinary drugs and other veterinary products). Currently under construction at Beltsville is a special pharmacological animal laboratory facility to house between 500-600 dogs used in research. When completed in the fall of 1963, this facility will consolidate all of FDA's pharmacological operations requiring the use of dogs.

In the field, FDA has made great strides in providing new modern facilities designed exclusively for FDA use. Since the Citizens Advisory Committee study in 1955, two new district facilities have been authorized and their construction and occupancy completed. These new FDA facilities are located at Detroit, Mich., and Dallas, Tex. The addition of these two new districts raises to 18 the number of FDA field installations located in major cities throughout the country. Of the original 16 locations, 4 have been relocated into newly constructed special-purpose facilities and equipped throughout with the latest scientific and other technical equipment. These are Atlanta, Cincinnati, Kansas City, and Los Angeles. Facilities at three other locations, Baltimore, Boston, and Buffalo, are currently under construction and nearing completion. One district, New York, is being housed in modernized Government-owned space. This facility is presently being expanded to accommodate a larger staff and is also nearing completion. Thus, over half of FDA's field locations are already, or shortly will be, housed in new and modern facilities.

II. Recommendations calling for new program activities and substantially increased activity in specific program areas

The Citizens Advisory Committee made numerous recommendations regarding the enlargement and improvement of FDA's educational and informational activities. These recommendations included education and information programs directed at industry, FDA personnel, consumers, doctors, pharmacy students, other Government agencies, and proposals calling for the general strengthening of FDA's information and education activities. In all, 30 recommendations were directed in this problem.

Following the guidelines of the CAC report, FDA established a Division of Public Information within the Office of the Commissioner. In 1963 this Division will be staffed with 39 positions engaged in various programs of information and education, such as those recommended by the Citizens Advisory Committee. As an example of the efforts of this Division, the following five tables show a comparison of various information and education activities in 1955 with those in 1962.

TABLE 1.—Consumer publications—Number of copies printed by FDA

Title	1955	1962	Number of copies sold by GPO
Protect Your Family.....	10,000	50,000	-----
FDA, What It Is and Does.....	-----	60,000	-----
Food Facts Versus Fallacies.....	-----	40,000	-----
FDA 1962.....	-----	15,000	-----
What Consumers Should Know About—	-----	-----	-----
Food Additives.....	-----	30,000	46,548
Food Standards.....	-----	36,000	8,240
Cosmetics.....	-----	8,000	-----
President's Consumer Message.....	-----	2,000	-----
Read the Label.....	7,500	30,000	234,221
The Scientists in FDA.....	-----	5,000	-----
Drugs and Driving.....	-----	450,000	-----
Dennis Takes a Poke at Poisoning.....	-----	¹ 100,000	-----
Total.....	17,500	826,000	289,009

¹ Purchased for distribution. Privately printed but jointly planned and ordered by FDA and Public Health Service.

TABLE 2.—Industry education publications—Number of copies printed by FDA

Title	1955	1962	Number of copies sold by GPO
Grain Sanitation.....	20,000	-----	-----
Cream and Butter.....	-----	-----	6,008
Poultry Hygiene.....	-----	-----	2,080
Microanalytical Methods.....	-----	-----	4,747
Index, Microanalytical Methods.....	-----	7,500	-----
The Rx Legend.....	-----	10,000	-----
Civil Defense Manual.....	5,000	-----	-----
Requirements of FDC Act.....	-----	-----	6,668
Restricted Drugs.....	-----	35,000	-----
General Principles, Food Sanitation.....	-----	15,000	-----
Summary, Drug Amendments of 1962.....	-----	20,000	-----
Total.....	25,000	87,500	19,503

TABLE 3.—Educational talks, articles, and radio-TV appearances by FDA personnel

	1955	1962
Talks.....	368	1,051
Articles in journals, magazines, etc.....	176	148
Radio-TV.....	4	83
Total.....	548	1,282

TABLE 4.—*Number of FDA news releases and related publications (by content and educational purpose)*

Publication or release	1955	1962 (11 months)
Public warnings and recalls.....		10
Consumer education, information, advice.....		40
Industry education.....	9	10
Combined industry and consumer education.....	1	8
General news or information.....	6	11
Information for professional groups.....	1	2
Monthly report of enforcement and compliance.....	12	11
Information re personnel actions.....		3
Total.....	29	95

TABLE 5.—*Laws and regulations—Number of copies printed by FDA*

Publications acts and regulations	1955	1962	Number of copies sold by GPO
FDC Act, Revision 4.....	12, 000		
FDC Act, looseleaf.....			12, 600
Drug Amendments of 1962.....		15, 000	
Caustic Poisons Act.....		1, 000	
Tea Importation Act.....		2, 000	
Hazardous Substances Labeling Act.....		15, 000	
General Regulations FDC Act.....		3, 000	11, 142
Food Standards Regulations—			
Pt. 14 Chocolate.....		2, 000	
Pt. 18 Milk and Cream.....		3, 000	
Pt. 25 Dressings for Foods.....		3, 000	
Pt. 42 Eggs.....		3, 000	
Pt. 45 Oleomargarine.....		3, 000	
Total.....	12, 000	50, 000	23, 742

In addition to recommendations for the improvement of FDA's information and education activities, the Citizens Advisory Committee made a total of 17 recommendations dealing with specific programs including food standards, import operations, pesticides, therapeutic devices, cosmetics, illegal sale of dangerous drugs, and others.

Implementation of these recommendations has also been fulfilled in large measure. The following table shows the number of authorized positions allocated to various program areas in 1963:

Program:	Number of staff assigned in fiscal year 1963
Food research and technology (involving food standards).....	905
Drug activities (all phases).....	949
Pesticides research and surveillance.....	440
Food additives.....	212
Import operations.....	175
Radioactivity monitoring.....	129
Hazardous substances.....	106
Color additives.....	89
Cosmetics.....	17
All other activities (including executive direction, planning, supporting operations, information and education activities, legal prosecutions, etc.).....	210
Total 1963 staffing.....	3, 232

Although some of the activities shown above (Food and Color Additives and Hazardous Substances) represent new responsibilities resulting from legislation enacted since the first Citizens Advisory Committee study, the staff presently assigned to these areas is shown in order to illustrate the total distribution of FDA's staff to the specific and major program areas for which it is responsible.

III. Recommendations for improved planning, programing, and administrative functions

Here again, FDA has fully or substantially implemented all of the 45 committee recommendations relating to this particular area of endeavor.

To improve its planning and administrative functions FDA, in 1956, effected a general reorganization which resulted in the establishment of a separate Bureau of Program Planning and Appraisal whose Director reports directly to the Commissioner. At the same time, FDA created four additional Bureaus: (1) Bureau of Medicine; (2) Bureau of Field Administration; (3) Bureau of Enforcement; and (4) Bureau of Biological and Physical Sciences. The latter Bureau consolidated seven scientific divisions under one head.

The consolidation of FDA's program and planning functions into a single Bureau has improved greatly this aspect of FDA's total operations. This Bureau is presently staffed (in fiscal year 1963) with 59 positions. The Bureau has specific staff assigned to the development and improvement of operating programs and for the development of both administrative and scientific statistics to aid in the evaluation and appraisal of the effectiveness of FDA's overall program operations. Standardization of forms and simplification of procedures has facilitated the flow of reports and information between headquarters and field installations. FDA's districts have been given greater flexibility in the allocation of available manpower and in the assignment of program priorities. There is also greater participation on the part of the technical divisions at headquarters in the development of work plans.

The establishment of the Bureau of Medicine and the implementation of related Citizens Advisory Committee recommendations has produced very distinct advantages. Through increased staff and resources, FDA has improved the procedures and reduced the time required for the internal processing of new drug applications. As a result, backlogs have been eliminated or greatly reduced. Some of the improvements effected thus far include rapid acknowledgment of receipt of new drug and supplemental applications, prescreening of applications for obvious technical deficiencies and notifying the applicant promptly of such deficiencies, adoption of standard terminology, standardization of new drug forms and methods, increased emphasis on the development of new methods of drug evaluation and analysis, establishment of a program for reporting adverse reactions or side effects of drugs, issuance of new and revised regulations and other improvements too numerous to mention but, nevertheless, equally as important as those just cited.

Improvement have also been effected in FDA's field operations by the delegation of more authority to the district directors, providing them greater flexibility in the selection of inspection subjects and the disposition of legal actions, improved communication, reduction in paperwork incident to legal actions, and other similar improvements.

Following the tenor of the Citizens Advisory Committee FDA has placed increased emphasis, in recent years, on activities concerned with voluntary compliance with the law. This is accomplished primarily through the industry information and education activities of FDA's Division of Public Information which were discussed previously. However, FDA does not and will not hesitate to institute legal proceedings against violators of the law when other techniques have failed or when there is a danger to the public health. In this respect, FDA's Bureau of Enforcement is presently staffed (in fiscal year 1963) with 98 positions to insure adequate enforcement of the law and the highest degree of protection to consumers.

With the added resources obtained since the Citizens Advisory Committee report was issued, FDA has been able to strengthen its program operations and procedures, improve and expand its facilities, and provide new modern scientific equipment needed to meet the challenges of modern technology. Without the support of the recommendations of the First Citizens Advisory Committee it would have been difficult if not impossible for FDA to have achieved the high level of consumer protection which it provides American consumers today.

BRONK COMMITTEE RECOMMENDATIONS

Mr. FOGARTY. He also asked, "Why were the Bronk Committee recommendations ignored?"

(The comments follow:)

BRONK COMMITTEE

BACKGROUND

The so-called Bronk Committee was instituted by the Secretary of Health, Education, and Welfare in June 1960, at the request of the Commissioner of Food and Drugs. The full title of the committee was "The Special Advisory Committee to the Secretary of Health, Education, and Welfare to Review the Policies, Procedures, and Decisions of the Division of Antibiotics and the New Drug Branch of the Food and Drug Administration." Its members were designated by Dr. Detlev W. Bronk, President of the National Academy of Science—hence the familiar title "Bronk Committee." The Committee was actually headed by Dr. C. Phillip Miller, Department of Medicine, University of Chicago. Other members include:

Dr. John H. Dingle, Western Reserve University.
 Dr. Maxwell Finland, Harvard Medical School.
 Dr. Colin M. MacLeod, New York University.
 Dr. K. F. Meyer, University of California.
 Dr. John R. Paul, Yale University.
 Dr. Carl F. Schmidt, University of Pennsylvania.
 Dr. Wesley Spink, University of Minnesota.

The mission of the Bronk Committee was to review the policies and procedures used by FDA in reaching decisions concerning the approval of new drugs and the approval and certification of antibiotics, and the scientific soundness of decisions made with regard to these products in recent years. The Committee was requested to make recommendations as the result of its findings.

The study was undertaken between the months of June and October 1960. On October 6, the Committee report was made public. It contained two basic conclusions. First, taking into account the limitations of the Food and Drug Administration's authority, funds, and scientific personnel, the Committee found the decisions it reviewed acceptable, despite certain deficiencies in the quality and quantity of the data upon which they are based. It found no evidence of disregard for the public health, and noted that appropriate action had been taken when hazards were established by subsequent clinical experience.

Secondly, the Committee concluded that weaknesses in the current law and deficiencies in staff and funds were hampering FDA in its task of protecting the public in this area.

IMPLEMENTATION OF RECOMMENDATIONS

The Bronk Committee made 11 recommendations in its report. Following is a list of these recommendations along with data showing how each recommendation has been implemented to date by FDA and the Department of Health, Education, and Welfare.

Recommendations

(1) FDA should be given statutory authority to require proof of the efficacy as well as the safety of all new drugs.

(2) FDA should be given statutory authority to require manufacturers of drugs to maintain records and submit reports of clinical experience particularly after the drug released for sale.

(3) FDA should be given statutory authority to apply certification procedures to all antimicrobial agents.

(4) FDA inspectional authority should be strengthened to require that all drugs be manufactured and packaged under adequate controls.

Implementations

(1) Implemented by Kefauver-Harris Drug Amendments of 1962 to the Federal Food, Drug, and Cosmetic Act.

(2) Implemented by Kefauver-Harris Drug Amendments of 1962 to the Federal Food, Drug, and Cosmetic Act.

(3) Implemented insofar as antibiotics are concerned by Kefauver-Harris Drug Amendments of 1962 to the Federal Food, Drug, and Cosmetic Act.

(4) Authority in this area was strengthened by Kefauver-Harris Drug Amendments of 1962 to the Federal Food, Drug, and Cosmetic Act.

Recommendations

(5) Proposed revisions of regulations under section 502(f)(1), as published in Federal Register, July 22, 1960, should be implemented so that the information supplied to physicians concerning drugs be accurate and complete.

(6) Careful study should be given to the problem of coordinating the supervision of labeling, promotional material, and other advertising of drugs, among several agencies of the Government; that all information concerning drugs conveyed to the profession and the public be in conformity with scientific fact.

(7) A concise record should be prepared for the file summarizing the basis on which the decision is made to permit a new drug application to become effective.

(8) Staff members responsible for processing new drug applications should be supported fully in their insistence that they receive complete and dependable scientific data to support new drug applications.

Implementations

(5) This recommendation has been implemented. Regulations published in Federal Register, December 9, 1960, require printed pieces distributed to the medical profession to bear full disclosure information about hazards.

Final regulations published in the Federal Register, September 6, 1961, require drug packages labeling to bear full disclosure information about proper indication for use, side effects, contraindications, etc.

(6) Liaison activity with other Federal regulatory agencies (including Federal Trade Commission and Post Office) has been materially strengthened resulting in improvement.

The "advertising amendment" contained in the Kefauver-Harris Drug Amendments of 1962 (502(n)) recently enacted to the Federal Food, Drug, and Cosmetic Act, as well as implementation of recommendation of No. 5 above, will further implement recommendation No. 6 to insure that drug information conveyed to the profession and the public be in conformity with scientific fact.

Review of drug literature.—Whereas in fiscal year 1960, FDA had staff sufficient only to review about 2.5 percent of the estimated 4,000 pieces of drug literature sent annually to the average physician by the drug industry, in fiscal year 1962 FDA was able to review about 25 percent of such literature. In fiscal year 1963, an estimated 35 percent will be reviewed and by the end of fiscal year 1964 the staff should be available to review about 50 percent.

(7) This recommendation has been fully implemented and the procedure is now a standardized and routine operation in handling new drug applications.

(8) This recommendation did not reflect earlier lack of support but rather expressed the committee's desire to see continuing support. It is being furnished. Whenever the reviewing officer encounters any question about dependability of data submitted with an NDA, the full investigational facilities of FDA are made available. Whenever the situation warrants, specific assignments are issued to field inspectional forces as well as to technical divisions. If it is determined that new drug applications' supporting data are false, the investigation is further extended to determine if legal action is appropriate. One such instance of false information deliberately submitted with a new drug application has been recommended by FDA for prosecution and other such suspected instances are currently the subject of investigation.

Recommendations

(9) FDA should have a sound research program on methodology and drug testing. FDA should be strongly supported in its effort to maintain such a program.

(10) The Commissioner should seek authorization to establish an advisory organization of scientific and technical experts as a recognized resource for advice on criteria, procedures, and policies for the execution of the responsibilities of FDA.

(11) The committee urges that the FDA be granted authority and funds required to employ and retain larger numbers of highly qualified personnel and to support their activities to strengthen its overall drug program, as well as related research programs. The committee endorses the recommendations made to this end by the Citizens Advisory Committee in 1955.

Implementations

(9) FDA concurs. This recommendation has been implemented to the extent that our appropriational resources have permitted. From fiscal year 1956 to fiscal year 1962, the number of FDA personnel engaged in drug-related research has more than doubled. During fiscal year 1962, over 50 FDA personnel were engaged in full-time drug-related research activities.

(10) FDA concurs. The formation of such a group has been delayed pending implementation of current reorganization plans.

In addition FDA, in recent years, has made broad use of ad hoc and consulting committees to resolve difficult scientific problems. (Additional data on this point appears at the end of this insert.)

(11) FDA concurs. FDA has, for years, sought higher salaries for scientific positions covered under Public Law 313. It was very difficult to get such positions because they were limited by legislation. FDA, however, did obtain 12 of the 13 Public Law 313 positions allocated to HEW; 2 of these scientific positions have been received since October 1960.

The Federal Salary Reform Act of 1962 now authorizes the Civil Service Commission to approve, without numerical limitation, certain scientific positions for supergrade salary ratings. In September 1962, the FDA requested approval of 101 such supergrade rated positions for scientists and medical officers.

For the past 4 years, the FDA has either initiated proposals or has participated actively with other agencies in proposals seeking higher entrance salaries for qualified scientists.

In August 1961, the FDA recommended that the salaries of chemists be raised to the top of the grade for all grades. This proposal was not completely adopted but the GS-5 and GS-7 chemists are paid at the 6th step and the GS-9 and GS-11 are paid the 3d step currently.

The FDA proposed at the same time that the salaries for pharmacologists be raised to the top step for all grades. This proposal was approved by the Civil Service Commission on Jan. 29, 1962. However, after the enactment of the Federal Salary Reform Act of 1962 the Commission readjusted the step rates of pharmacologists to step 6 for GS-7, step 5 for GS-9 and GS-11, step 4 for GS-12, 13, and 14, and step 2 for GS-15.

*Recommendations**Implementations*

The FDA also proposed top-of-the-grade entrance rates for medical officers. This proposal was approved by the Civil Service Commission on Dec. 22, 1961. In the readjustment after the Federal Salary Reform Act of 1962 was enacted the Commission maintained the salary levels, but lowered the entrance steps.

The FDA is monitoring the entrance salaries paid to the kind of scientists that we need and will continue to make proposals for increases necessary to acquire top scientific personnel.

ADDITIONAL DATA ON THE USE OF CONSULTANTS AND AD HOC COMMITTEES BY FDA

ORGANIZED SCIENTIFIC GROUPS WITH WHICH FDA CONSULTS

American Academy of Allergy.	American Society for the Testing of Materials.
American Academy of Dermatology and Syphilology.	Arthritis and Rheumatism Foundation.
American Academy of Pediatrics.	Association of American Feed Control Officials.
American Association of Medical Record Librarians.	Association of Food and Drug Officials of United States.
American Association of Poison Control Centers.	Association of Official Agricultural Chemists.
American Association of Veterinary Nutritionists.	Cancer Chemotherapy National Committee.
American Board of Veterinary Public Health.	European Committee for Research on the Protection of the Population Against the Hazards of Chronic Toxicity.
American Cancer Society.	Food and Agriculture Organization.
American Chemical Society.	Helminthological Society of Washington.
American College of Preventive Medicine.	International Organization for Standardization.
American College of Veterinary Toxicologists.	International Union Against Cancer.
American College of Radiology.	International Union of Pure and Applied Chemistry.
American Congress of Physical Medicine and Rehabilitation.	Institute of Food Technologists.
American Dairy Science Association.	Law-Medicine Research Institute.
American Dental Association.	National Formulary.
American Institute of Biological Sciences.	National Research Council.
American Institute of Nutrition.	Pan American Medical Association.
American Medical Association.	Society of Cosmetic Chemists.
American Public Health Association.	U.S. Livestock Sanitary Association.
American National Council for Health Education of the Public.	U.S. Pharmacopoeia.
American Oil Chemists Society.	World Health Organization.
American Society of Microbiologists.	

Information concerning a representative group of additional consultations by FDA with outside experts

Date of consultation	Reason	Number of experts consulted
1961.....	To secure advice on the labeling of cough preparations for children.	25
January 1961.....	To evaluate the safety of Enovid.....	3
June to August 1961.....	To evaluate the safety of reticulose.....	6
April 1962.....	To secure advice on the safety of intravaginal devices.....	5
June to August 1962.....	To secure advice on the toxicity of phenacetin.....	60

Information concerning a representative group of ad hoc committees established by FDA to deal with specific problems

Date formed:	Purpose of committee
November 1960.....	To advise FDA on the safety and labeling of chloramphenicol.
November 1960.....	To advise FDA on safety of safrol as a food additive.
March 1961.....	To advise FDA about the dermal effects of hazardous substances.
July 1961.....	To assist in developing current information about chemical substances that may be regarded as toxic or highly toxic under the Federal Hazardous Substances Labeling Act.
August 1961.....	To advise FDA on the safety of quinine as a food additive in carbonated beverages.
June 1962.....	To advise FDA on the value of the prophylactic use of antimicrobial agents.

HISTORY OF THALIDOMIDE INCIDENT

Mr. FOGARTY. And then on thalidomide, because that received so much publicity, would you also supply the committee the details of this incident. Your complete story on it?

(The information follows:)

THALIDOMIDE

BACKGROUND

A Swiss pharmaceutical house, interested in producing a new sedative, first synthesized thalidomide in 1954. Because it showed no effects on laboratory animals the company discarded it. The West German firm, Chemie Grünenthal, then undertook development of the compound. It was found that thalidomide was effective as a sleeping compound and appeared to be superior to other compounds in this class in that it did not produce a sedative hangover nor did it present the danger of death from overdosage. Under the trade name of

Countergran, thalidomide was marketed freely without a prescription in West Germany. It was also combined with aspirin and other medicines and was available in a variety of compounds for a variety of conditions. Grünenthal was manufacturing thalidomide by the ton.

Pharmaceutical companies in other countries began to make or market thalidomide under license from Grünenthal. Eventually, it was available in the British Isles, Australia, and New Zealand as Distaval; in Portugal as Softenon; in Canada as Talimol and Kevadon; and in Japan and a number of other countries. Thalidomide never reached the commercial market in the United States through legitimate channels. However, investigational use of the drug in the United States dates from 1959 and in September 1960 FDA received an application from the William S. Merrell Co., of Cincinnati, to market the drug as a prescription sleeping compound (Kevadon).

It began to appear that long-term use of the drug was associated with a new polyneuritis. Patients using it complained of tingling hands, sensory disturbances, and later, motor disturbances and atrophy of the thumb. By April 1961 there were enough reports of ill effects in West Germany to require that thalidomide compounds be dispensed only on prescription. By the summer of 1961 West German physicians realized there was also an alarming increase of babies born with deformities of their arms, legs, and other organs. Upon investigation, many of these cases of infant deformity (phocomelia) were linked with their mothers' use of thalidomide in the early stages of pregnancy. The evidence that thalidomide was the cause of infant deformity mounted to the degree that thalidomide was withdrawn from the market in West Germany in November 1961, in England in December 1961, and in Canada in March 1962. The Merrell Co. withdrew its application to market the drug in the United States on March 8, 1962.

It has been estimated that as many as 7,000 infants deformed from the effects of thalidomide will be born where thalidomide has been marketed. The United States has been preserved from this tragic toll largely through the efforts of the Bureau of Medicine of FDA, particularly through the work of Dr. Frances O. Kelsey, Dr. Ralph Smith, and their associates in that Bureau. For her conscientious effort Dr. Kelsey received the President's Award for Distinguished Federal Civilian Service.

Selective chronology of events concerned with the Merrell Co's. new drug application to market thalidomide

- Sept. 12, 1960----- The William S. Merrell Co., of Cincinnati, submitted a new drug application to FDA to permit marketing of thalidomide in the United States.
- Nov. 10, 1960----- Merrell Co. was notified that the new drug application was incomplete.
- Feb. 23, 1961----- FDA notified the Merrell Co. that the additional information submitted by the firm was still unsatisfactory. Additional clinical data were requested.
- April 5, 1961----- Merrell Co. submitted additional clinical data.
- May 5, 1961----- FDA requested further animal studies and additional clinical information.
- May 11, 1961----- FDA (in a conference with Merrell Co. representatives) specified a need for evidence that the drug would be safe during pregnancy. At this time, FDA's concern was based on theoretical grounds.
- May 11 to Sept. 13, 1961. Exchanges of correspondence, as well as telephone conversations and personal meetings dealing with the application.
- Sept. 13, 1961----- FDA again formally requested more data relative to the safety of thalidomide.

Selective chronology of events concerned with the Merrell Co's. new drug application to market thalidomide—Continued

- Sept. 13 to Nov. 30, 1961. FDA received additional data concerning the effects of thalidomide including information on administration during pregnancy, but this was essentially data about administration of the drug during late pregnancy.
- Nov. 30, 1961----- FDA was given notice that thalidomide had been removed from the German market.
- Mar. 8, 1962----- The Merrell Co. withdrew its new drug application to market thalidomide in the United States.
- Apr. 8, 1962----- FDA requested information on (1) measures Merrell was taking to warn physicians about the drug and (2) who was supplied the drug for investigational purposes.

SIGNIFICANT ACTIONS TO REMOVE THALIDOMIDE FROM INVESTIGATIONAL USE

In attempting to ascertain how much thalidomide and where supplies of the drug had been distributed for investigational use in the United States, a survey by the Food and Drug Administration determined that more than 2,500,000 tablets were distributed to 1,270 physicians throughout the Nation. A first-priority investigational project was carried out to interview the physicians who had received supplies of the drug to find out how many patients had received the drug, what proportion of these patients were women of childbearing age or were pregnant, and what supplies of the drug remained on hand. In September 1962, this comprehensive and vital project to ascertain where supplies of thalidomide had been distributed and to remove the drug from use was completed; a tabulation of the results of this project follows:

Number of physicians who received supplies of thalidomide-----	1,270
Number of patients who received the drug-----	20,771
Women of childbearing age who received the drug-----	3,879
Number of pregnant women reported to have received the drug (as of Aug. 21, 1962)-----	624
Number of children in the United States suspected of being deformed by thalidomide distributed by U.S. firms-----	16
Number of doctors interviewed who still had the drug on hand-----	84
Quantity of tablets on hand-----	29,114

Of most importance in this project, all physicians who received thalidomide were interviewed to impress them with the dangers of the drug, to determine how many patients had received the drug, and to account for and eliminate any supplies of the drug remaining in the hands of investigators. In addition to the project that reached all investigators who had received supplies of thalidomide, realizing that supplies of the drug could remain in family medicine cabinets, some of which were unmarked except for an indication of dosage, FDA issued a press release that stressed the President's and Commissioner Larrick's exhortation that all citizens check their medicine cabinets for old and unmarked medicines and destroy them. These actions and the work of FDA's Bureau of Medicine, which kept thalidomide from the commercial market in the United States, have preserved the Nation from the tragic toll of thousands of deformed infants that were the results of the widespread use of thalidomide in Europe.

Steps are still underway to determine whether the William S. Merrell Co. violated the law by the manner in which thalidomide was distributed in the United States.

EXCHANGE OF SCIENTIFIC INFORMATION

Mr. FOGARTY. The exchange of scientific information is very important to the operations of a good many Federal agencies, and especially to FDA. What progress have you made to improve the exchange of such data both within and without FDA?

(The information follows:)

EXCHANGE OF SCIENTIFIC INFORMATION

FDA is not lagging behind other organizations interested in the dissemination and utilization of medical and scientific information and knowledge and, in many ways, FDA stands in the forefront of those organizations that have demonstrated an appreciation of the important role that information dissemination plays in the execution of sound scientific programs. Some of FDA's past and present programs and projects stand as evidence of this fact.

Among FDA scientists and program managers there is a strong basic appreciation of the part that valid and current scientific information plays in the conduct of sound science programs. There is also a keen awareness of the need to update and improve the exchange and application of current scientific and technical information throughout FDA and the scientific community in general. In this connection many FDA scientists and program managers are enthusiastic supporters of serious efforts to bring about reforms and improvements in this area.

RECENT PROGRESS IN INTERNAL FDA SCIENTIFIC INFORMATION AND DATA HANDLING AND DISSEMINATION

In recent years a number of steps have been taken to improve FDA's acquisition, utilization, and dissemination of scientific data and information. For example, in 1960 FDA established a drug adverse reaction reporting program. At the present time there are 157 participating hospitals in the program.

In 1961 a separate organizational unit, the Data Automation Branch of the Division of Management Systems, was established and staffed to work on improved internal information and data systems.

Also in 1961, the National Bureau of Standards and FDA undertook a cooperative study of the information processing needs in connection with the technical activities of the Food and Drug Administration, including the work processes, procedures, and systems having to do with the collection, creation, evaluation, application, storage, and retrieval of chemical and biological information and data.

In 1962, in collaboration with the Department of Health, Education, and Welfare, FDA procured and installed an operating computer with emphasis to be given to its scientific applications. During the period 1961 to the present FDA has undertaken 10 special projects designed to develop new or improved information and data-handling techniques.

In addition to the above, more recent developments in the area of scientific data handling and dissemination include the establishment, on October 1, 1962, of a Committee on Scientific Information. This committee is charged with the responsibility of studying FDA's current and future scientific information requirements, improving techniques for internal handling of scientific information, developing recommendations for cooperation with outside organizations in the exchange of scientific information, and representing FDA with outside individuals, groups, and organizations.

Insofar as improving the internal dissemination of scientific information the following actions have been or are being presently undertaken:

(a) The designation of the Assistant Commissioner for Science as the key FDA official responsible for the development and coordination of an FDA-wide scientific information program.

(b) The designation of specific positions to represent and identify scientific data requirements in the Bureaus of Medicine and Biological and Physical Sciences and FDA's field locations. These positions will be complemented with appropriate supporting staff.

(c) FDA's scientific data handling and data retrieval requirements have been given the highest priority assignment for computer application.

(d) The recent negotiation of a contract with a private firm to mechanize the procedures for the certification of antibiotics and to develop programs for computer application that will produce periodic summary reports on certification data.

(e) The purchase of equipment to mechanize a project for the retrieval of label information on veterinary products. Present plans call for the gradual extension of this system to include other types of medical and scientific information.

(f) The development of an intragovernmental task force or the letting of a contract in fiscal year 1963 with a qualified commercial organization to (1) study the basic scientific work processes and determine what kind of agency-wide system might be feasible and might produce improvements in the utilization, dissemination, and exchange of valid scientific information and data, (2) develop plans for specific systems (including, if practicable, automated systems), and (3) install and make such systems operational.

The undertaking would be phased over a 2-year period as follows:

Fiscal year 1963

1. Reconnaissance study to determine feasibility and to identify program requirements.

Fiscal year 1964

1. Planning and analysis.

2. Systems design, equipment procurement, installation, and testing.

The above proposal takes into consideration the fact that the NBS study indicated that it would be possible to systematize much of FDA's scientific data processing. The views of the NBS will be solicited in the development of the proposed new program.

EXCHANGE OF SCIENTIFIC INFORMATION WITH OUTSIDE ORGANIZATIONS

In a recent formal exchange of correspondence FDA has agreed to register with the Science Information Exchange individual research projects on food, food ingredients, nutritional, chemical, and biological research projects conducted by FDA's Bureau of Biological and Physical Sciences. At a later date, FDA proposes to register projects on human and veterinary drug studies conducted by the Bureau of Biological and Physical Sciences and the Bureau of Medicine. The Deputy Director of BPS was designated to serve as liaison with the Science Information Exchange on these and other matters of mutual interest.

In addition to participation in the science information exchange program, special attention is being given to FDA cooperation in this area with other outside organizations, including international organizations.

Recent contacts with the National Institutes of Health have produced a number of worthwhile steps which the two organizations could take (some of the steps have already been inaugurated) to exchange medical and scientific information. These include the periodic transmission by NIH to FDA of the following:

(a) A monthly report on adverse reactions to drugs encountered in the patient and normal control populations under observation in the clinical center at Bethesda and in other clinical investigational projects conducted elsewhere by members of the staff of the National Institutes of Health. With respect to investigational or recently released drugs, adverse reactions will be reported to the FDA immediately as well as in the routine monthly report.

(b) Pertinent information, generated by the activities of the Cancer Chemotherapy National Service Center. This will include the transmittal, upon publication, of Cancer Chemotherapy Reports and Cancer Chemotherapy Abstracts.

(c) Pertinent information generated by the activities of the Psychopharmacology Service Center of the NIMH.

(d) An annual report of those NIH grants and awards which are directed at the investigation of drugs. NIH will increase as rapidly as possible the frequency at which FDA is notified of awards made by the NIH in this field of endeavor.

FDA would, in addition to naming the Assistant Commissioner for Science as special liaison with NIH in this area, provide NIH with the following:

(a) A monthly summary of all adverse reaction information reported to FDA by private and public organization.

(b) From time to time, special reports of unusual experiences developed during the course of FDA inspections, investigations, or reviews of particular drugs or drug products, wherever such drugs might be expected to be of interest to NIH.

In addition, present proposals call for attendance of FDA personnel at meetings of the NIH Committee on the Management of Drug Information and the series of joint NIH-FDA meetings to identify FDA activities and programs which might be able to furnish further information of interest to NIH.

Presently under consideration is a draft proposal calling for jointly sponsored seminar-type meetings to be held periodically and to be attended by NIH and

FDA scientists to promote better dissemination and utilization of medical and scientific information.

Based on recent discussions with the Office of the Surgeon General, PHS, FDA representatives attended a special PHS-sponsored conference on health communications. The purpose of this conference was to consider the growing problems of medical and scientific communications and how PHS and other units of Government might contribute to their solution.

In addition to present negotiations with the Public Health service for greater cooperation in the exchange of scientific and medical information, FDA is also in the process of contacting other Government agencies for the purpose of drafting formal agreements for the exchange of scientific and medical information. The following Government agencies have sufficient areas of common interest with FDA to warrant the consummation of such agreements:

The National Science Foundation
Department of Agriculture
Veterans' Administration
Patent Office

National Bureau of Standards
National Library of Medicine
Department of Defense

Corollary to its plans to improve and expand cooperation with other Federal agencies, FDA's Division of Federal-State Relations is giving special emphasis to science information requirements in its programs to improve Federal-State cooperation.

FDA PARTICIPATION IN INTERNATIONAL SCIENCE INFORMATION PROGRAMS

Dr. F. O. Kelsey, representing the FDA Committee on Scientific Information, together with a representative of the Public Health Service, attended a meeting sponsored by the Federal Council for Science and Technology to discuss ways by which the international exchange of drug information might be improved. Much of the discussion centered on a tentative plan which the World Health Organization¹ has under consideration calling for the development of an international exchange of information concerning the safety and efficacy of drugs. As a result of the discussions held during this meeting, FDA concluded that it has a vital interest in the promotion of an international movement to improve the exchange of medical and other scientific information. The Federal Council for Science and Technology has offered to arrange meetings between FDA and other organizations having an interest in this subject. In addition, the Federal Council plans to meet with FDA in the future to develop concrete methods by which it might assist FDA to obtain information from international sources.

FDA proposes to actively pursue the possibility of participating with the World Health Organization and other agencies in any effort to effect an international exchange of medical and scientific information.

IMPROVING SCIENTIFIC TALENT

Mr. FOGARTY. What steps have you taken to obtain, maintain, and improve FDA's scientific talents?

(The information follows:)

UPGRADING SCIENTIFIC TALENTS

Detailed data indicating the steps that have been taken to obtain, maintain, and improve FDA's scientific talents are presented in the insert relating to the question, "What has FDA done to improve its scientific staff and organization?"

¹ At the 15th World Health Assembly, held in May 1962, a resolution was passed calling for the development of a program to: (1) establish minimum basic requirements and standard methods for clinical and pharmacological evaluation of new drugs; (2) secure regular exchange of information on the safety and efficacy of new drugs; and (3) secure prompt transmission to national health authorities of new information on serious side effects of such drugs.

COOPERATION BETWEEN FDA AND INDUSTRY

Mr. FOGARTY. How important do you think it is to develop close contacts and cooperation between FDA and industry in enforcing the law? What steps have you taken to do this?

(The information follows:)

COOPERATION WITH INDUSTRY

The history of FDA is replete with statements of our philosophy and policy of close contact and cooperation with the regulated industries. We believe that this is necessary and essential for the proper and efficient enforcement of the law in the interest of consumers and ethical practices in the industry. We believe that close contact and cooperation results in better understanding of the requirements of the law as well as educating those subject to the law's requirements as to our enforcement programs.

Cooperation between FDA and industry manifests itself in many ways—(1) cooperative programs wherein industry cooperates, is consulted and participates in the program development and even assists in its formulization; (2) attendance at all types of industry meetings as well as speaking before various industry groups on subjects of particular interest to the group; (3) exchange of visits between FDA and industry wherein industry representatives come to Washington to visit our laboratories and talk with our people and our scientists visit industry to observe their practices and talk with their people; and (4) educational and informational programs that are developed and put into effect with the assistance and cooperation of industry.

Space and time do not permit a complete listing of all instances to illustrate the steps that FDA has taken to develop cooperative contacts and cooperation with industry. Listed below, however, are programs illustrative of these principles:

The programs listed below are illustrative of instances where industry groups have been consulted and have participated in program development from the beginning:

Program	Industry support	Objective
1. Sanitation, candy plants.....	National Confectionary Association.....	Improved sanitation, better compliance.
2. Sanitation, bakeries.....	American Institute of Baking, American Bakers Association.	Improved sanitation, better compliance.
3. Wheat, regulatory program.	Grain and Feed Dealers National Association and State and regional affiliates; Millers National Federation; Country & Terminal Elevator Associations; National Federation of Grain Co-ops; National Grain Trade Council.	Clean wheat for flourmaking.
4. Corn, cornmeal.....	American Corn Millers Federation.....	Clean corn for dry milling.
5. Corn, corn sirup, corn oil, starch, dextrose.	Corn Industries Research Foundation.....	Clean corn for wet milling.
6. Rail car sanitation.....	Millers National Federation, American Bakers Association.	Clean cars for handling grains, flours, meals.
7. Butter.....	American Butter Institute.....	Clean fresh cream, free from drugs and pesticides.
8. Dairy products.....	American Butter Institute; National Cheese Institute; International Association of Ice Cream Manufacturers; Dry Milk Association; Evaporated Milk Association; Milk Industry Foundation; National Milk Producers Federation.	Milk free from drugs and pesticide residues.
9. Agricultural poison.....	National Agricultural Chemicals Association; various State and regional fruit and vegetable growers associations.	Information on Food, Drug, and Cosmetic Act to growers.
10. Dangerous drugs, Durham-Humphrey amendment.	American Pharmaceutical Association; National Association of Retail Drug-gists.	Information to druggists re Food, Drug, and Cosmetic Act.
11. Bootleg drugs, dangers of drugs and driving.	American Trucking Associations; National Association of Truck Stop Operators; National Safety Council; American Automobile Association; various insurance companies; numerous large companies employing drivers; driver education agencies.	Information to drivers, employees, and related businesses on dangers of marketing, sale, and use of drugs.
12. Filth and decomposition in imported cocoa beans.	Chocolate Manufacturers of the United States; Cocoa Merchants Association.	Improved sanitation standards in production and handling of cocoa beans.
13. Labeling of hazardous substances.	National Paint, Varnish & Lacquer Association; numerous other industry groups.	Voluntary compliance with new law.
14. Food additives.....	Manufacturing Chemists Association.....	Better consumer understanding of purposes of and protection from food additives.
15. Food additives, hazardous substances, Food, Drug, and Cosmetic Act.	Food Law Institute.....	Better industry understanding.

16. Oysters: FDA-industry cooperation resulted in an objective method for testing oysters for added water.

17. Foods, general: FDA and industry cooperated in research on the safety of foods exposed to atomic blast.

18. The Association of Official Agricultural Chemists provides one of the more important areas for FDA-industry cooperation. The work of this organization brings out the problem areas, and works on their solution. The "Methods of Analysis" and the Journal of the AOAC are the guidelines for food analysis. In December 1962, the AOAC will begin distribution of "Microanalytical Entomology for Food Sanitation Control" which has been developed by FDA with the cooperation of industry groups.

19. Radioactivity in foods: FDA has cooperated with the National Cannery Association and the Frozen Food Packers Association on the effect of processing on removal of radioactive isotopes (from fallout from atomic explosions) from food.

RECRUITMENT AND HOUSING OF 1963 STAFF

Mr. FOGARTY. How many positions will you have to recruit in 1963? Will you be able to recruit these? If so, will you run into any problems of housing your 1963 staff?

(The information follows:)

RECRUITMENT, 1963

The Food and Drug Administration will have to recruit a total of 1,444 positions for enforcement work in fiscal year 1963, as follows:

Authorized staff for 1963-----	3, 232
Authorized staff for 1962-----	-2, 470
Increase in staff for 1963-----	762
Turnover expected in 1963-----	593
Vacancies at the end of fiscal year 1962-----	89
Total staff to be recruited in 1963-----	1, 444

Up to February 18, 1963, FDA had filled a total of 652 positions against the total of 1,444 to be filled so that 792 positions remain to be filled before July 1, 1963 (including anticipated turnover). It is expected that FDA will come close to this goal before the end of fiscal year 1963, especially because of increases in recruitment expected in June when classes graduating from college enter the market for employment.

SPACE, 1963

The Food and Drug Administration estimates that there will be a shortage of a total of 163,000 square feet for staff for all of its programs in fiscal year 1963. Efforts are now being made to provide temporary space to meet this shortage. Construction proposed in the 1964 budget would help provide facilities as a step toward a more permanent and satisfactory solution to the recurring problem of providing adequate and modern space for FDA's growing staff. FDA, however, is continuing full-scale recruitment of the personnel needed to carry out its responsibilities with the hope that its considerable space problems may be at least partly solved during 1963, if only on an interim-occupancy basis.

COMMENDATION OF FIRM ENFORCEMENT POLICIES

Mr. FOGARTY. The reason I asked these questions is because I have been, as you know, a firm supporter of the Food and Drug Administration. I think that the additional responsibilities given to you by Congress, by the passage of additional legislation, has tended to make your Food and Drug Administration a little more controversial over the years. And outside groups sometimes think their toes are being stepped on.

I understand that they bring tremendous pressure upon you and your people to get some of these drugs and cosmetics and other things approved. And I just want to congratulate you for holding the line and living up to the law.

Mr. LARRICK. Well, I thank you very much indeed on behalf of our organization. And it is extremely gratifying to know that we have here in this committee a group that is not only interested but that is very knowledgeable and intelligently interested. Again we thank you very much indeed.

Mr. FOGARTY. Mr. Lesinski?

SIMILARITY OF NARCOTICS BUREAU PROGRAM

Mr. LESINSKI. When you are asking for these investigators to go, for instance, to Mexico and so forth, can't the Narcotics Bureau really take care of that for you?

Mr. LARRICK. They are willing to help us by using the skills that they have acquired and training our people. But under the statute,

they can't spend their money to do the job that Congress has delegated to us to do.

Mr. LESINSKI. Actually, to me it is still a Narcotics problem.

Mr. LARRICK. But it isn't under the law. Under the law it is not included under that statute. Congress has given consideration two or three times to whether they wanted to combine the two. And they have never seen fit to do it.

Mr. LESINSKI. It seems a duplication of effort. That is why I brought the question up. I am not opposed to the intent, of course.

Mr. LARRICK. I would like to see the job done. And I don't particularly care whether they do it or we do it. But the Ways and Means Committee considered it at great length; and they reached the conclusion at that time, at least, that they wanted us to do it. So, we are undertaking to do it. And I can assure you we will work very closely with Narcotics. We have a very fine official and personal connection with them. We exchange information. And we try to take advantage of all the knowledge that they have acquired in this undercover operation over a great many years.

Mr. LESINSKI. I appreciate that. It just seems unreasonable in my mind duplicating the efforts. Of course, if you can't, you can't. I have no further questions. I appreciate your being before us this morning, and I appreciate the job that you are doing. In all fairness to you, I commend you for your operation.

Mr. LARRICK. I am particularly grateful that you came this morning.

OUTSIDE SUPPORT OF FDA

Mr. FOGARTY. Their main problem is they don't have many consumer groups that come out for them. I did receive a letter from the Federation of Homemakers, from our friend, Mrs. Desmond, who has testified many times before this committee and has requested to appear again, which is complimentary. I will put this in the record.

(The letter referred to follows:)

FEDERATION OF HOMEMAKERS,
Arlington, Va., February 19, 1963.

Chairman JOHN E. FOGARTY,
Subcommittee on Labor-HEW Appropriations,
House of Representatives,
Washington, D.C.

DEAR CHAIRMAN FOGARTY: Officers of this public-spirited organization are looking forward to the privilege of appearing before you and your subcommittee this session on behalf of an adequate appropriation for the consumer's agency, FDA. Our members appreciate your own awareness of the need for an appropriation sufficient to afford this agency the opportunity to perform its important obligations—but we feel it is important for a group of homemakers to evidence the public's concern that this agency have an appropriation which will enable it to perform at top efficiency.

Perhaps you may be interested in the statement this group presented in behalf of legislation for animals used in research, so a copy is enclosed. Presenting statements affords our dedicated members an opportunity for airing weaknesses in legislation and regulations which should be strengthened, in their opinions.

Federation officers attended both the December conference on air pollution and the February conference for this area and are deeply concerned at the risks city dwellers are exposed to because of dirty air. We know we can count on your support to help remedy this newest risk to health and life.

Very respectfully,

RUTH G. DESMOND, *Secretary.*

STATEMENT OF FEDERATION OF HOMEMAKERS RE: H.R. 1937 AND H.R. 3556—To PROVIDE FOR HUMANE TREATMENT OF ANIMALS USED IN EXPERIMENT AND RESEARCH BY RECIPIENTS OF GRANTS FROM THE UNITED STATES AND BY AGENCIES AND INSTRUMENTALITIES OF THE UNITED STATES

Mr. Chairman and members of the health and safety subcommittee, I am Ruth Desmond, secretary of the Federation of Homemakers, a nationwide organization of public-spirited housewives who endeavor to obtain uncontaminated food for their families. The Federation's officers welcome this opportunity to publicly support legislation designed to remedy the conditions under which laboratory animals are used in scientific experiments and research by recipients of grants supported in whole or in part by Federal funds through the licensing of all scientists performing said animal experiments in institutions receiving Government funds. It is our understanding that the scientists so licensed would submit plans or details of said proposed animal experiment to either the Secretary of Health, Education, and Welfare or other designated authority for approval. Under the provisions of the proposed legislation this would not deter nor hamper said investigation.

This Federation was formed by concerned housewives who attended public hearings on the food additives legislation conducted by this committee. Since its formation Federation members have maintained an interest in legislation being considered by this committee which has dealt with the wholesomeness and safety of food, cosmetics and drugs. At the color additives hearings, this Federation first publicly expressed misgivings of the validity of animal tests which did not consider the total impact of the environment upon said animals—potentialism. It was pointed out then by the Federation that animal tests of food dyes and food chemicals were usually performed on mature animals in good health who were fed a bland diet with only the chemical or dye to be tested added to its balanced diet. However humans, sick and well, young and old, and even pregnant, ingested the item being tested under vastly more complicated conditions. Later, at a public hearing on the value and need of the Delaney Anti-Cancer Clause in our recent food and color additives laws, a scientist with NIH pointed out that animal tests of food chemicals should be conducted under conditions which simulate those of man's environment. Such recommended tests would no doubt require larger animals since they have been found to react to many chemicals in the same way as man and the testing time would be much longer than now expended.

After the thalidomide tragedy became known to the public—it was brought out at the special public hearing conducted by Senator Hubert Humphrey that a wider variety of animals must be used in the testing of new drugs (different species) and that many drugs must be tested on pregnant animals before used by the public.

The enforcement of the Miller Pesticide Act of 1954 has necessitated the use of many test animals in the evaluation of the safety of insecticides when used exactly as directed. However tests for genetic damage to human cells still must be carried out. Then the Food and Color Additives Acts and the Chemical Preservatives Act (post-harvest treatment of fruits and produce) all require experiments on animals to demonstrate the safety of the chemicals in the amounts permitted as residues. The new drug act when enacted will require the use of more animals than previously used by the manufacturers of new drugs to reduce risks of unknown and unrevealed side effects on patients.

So it is appropriate that homemakers who have studied the aforementioned legislation and appeared before this committee previously in support of legislation to protect the health of the public should now endorse and support legislation which will provide humane treatment for the animals used to test the safety of pesticides, chemical preservatives, food dyes, food additives, and drugs.

It is the responsibility of informed, mature citizens to see that the animals used to prove or disprove the safety of chemicals are not abused by those conducting said experiments or their helpers and that said animals are comfortably housed and cared for and humanely destroyed when discovered to be suffering severe and prolonged pain. Humanity owes a debt to these animal martyrs which it can in some part repay by seeing that in the future laboratory animals are humanely treated; especially when the research is conducted partly or wholly with tax funds.

Federation members recall that the late Sir Edward Mellanby proved through his experiments that agene fed in bread to dogs caused them to have convulsive

fits and die. As a result of this experiment, this chemical is no longer used to mature flour. Dr. Wilhelm C. Hueper of NIH's environmental cancer section, a recognized authority on the causes of environmental cancers and recipient of a World Health Organization award for his cancer research, proved conclusively through experiments on dogs that beta naphthylamine could cause bladder cancers when ingested. In this particular experiment only dogs reacted like humans to this chemical. As a result of this experiment, the Food and Drug Administration banned the use of certain oil soluble yellow and orange food dyes long used to color butter, margarine, cheese, cake mixes, icings, pop corn oil, potato chips and other food items. In the all too recent past, rats and mice were used to test the presumed harmlessness of food dyes. FDA scientists in testing certain reactions of humans to Red No. 32, use for many years to dye oranges and color confections, discovered these reactions were not experienced by rats and mice. Then it was learned that dogs reacted to this Red No. 32 in the manner of humans. Now FDA is carrying on lifetime tests of certain food colors with dogs.

Aramite, a cancer-inciting miticide, was first tested on rats and mice with only small tumors noted. Later Aramite was tested on dogs and produced cancers of the liver and bile ducts. A second scientific panel appointed to consider the effects of this miticide gave it a Zero tolerance—setting aside the tolerance of 1 ppm given it by the first scientific panel after evaluating the tests on rats and mice.

Officers of this Federation had the privilege several years ago of touring the facilities of FDA, the consumers' agency, and there observed many species of animals being used to test the potency and purity of medicines, insecticides, cosmetics, dyes—the potency of vitamins. This tour dramatically disclosed the value and importance of animal experiments. Soon primate centers will be established at two outstanding medical schools to study the causes of heart and circulatory diseases.

Frequently the public reads newspaper accounts of new surgical techniques developed through operations on experimental animals. Rarely does the public know of the many animals sacrificed before such experiments are successful. And seldom does the public learn that the care and caging of these medical martyrs should be improved—that in certain instances these poor animals are abused and neglected—even sadistically mistreated.

The informed public who know to a degree the debt they owe experimental animals will support legislation aimed to relieve the suffering of these poor animals who have saved humans much physical suffering and even their lives. Although the members of our organization have never visited private laboratories which use experimental animals, they have been saddened to read of the mistreatment, neglect and callous treatment which certain unfortunate animal victims have needlessly endured. This information has been obtained through reading pamphlets distributed by local humane societies and materials furnished by the Animal Welfare Institute. However, Federation officers were distressed to see the FDA dogs, used in lifetime tests of food dyes, living in small, tiered, wire cages in a crowded room in the sub-basement of the South Agriculture Building. These officers rejoice that these poor animals will soon have comfortable quarters and exercise ramps in a specially constructed new building. The funds for this needed building were appropriated by Congress when it learned through testimony of animal welfare groups about the plight of these FDA dogs.

It is the understanding of this Federation that the proposed legislation now being considered will not interfere with scientific research and investigation. Perhaps it will further it. It seems sensible to assume that animals humanely cared for will produce more valid and conclusive results than those who are neglected and abused—unless the research itself is directed to the effect of neglect and unkindness on living creatures.

Mr. Chairman, it has been a pleasure to appear before your committee again especially to support legislation which will provide humane treatment for laboratory animals used in research for the benefit of humanity.

Mr. FOGARTY. Mr. Laird.

Mr. LAIRD. It is certainly very nice to have you before the committee again, Mr. Larrick.

Mr. LARRICK. Thank you, Mr. Laird.

Mr. LAIRD. I think you came off very well in the report of the Citizens Advisory Committee. You seem to think that you were hit a little hard. I didn't feel that way as I read this over.

Mr. LARRICK. Well, I would much rather have your judgment than mine.

ADDITIONAL LABORATORY FACILITIES

Mr. LAIRD. You have this additional laboratory facility in the budget. The estimate is \$4,300,000. Where is the site of this particular building?

SITE

Mr. LARRICK. The site in our proposal isn't stated.

Mr. KELLY. The proposal that we have before you is that it be located in the metropolitan area of Washington. We have not developed a firm site. We did originally think in terms of developing it alongside the Animal Pharmacological Building of the Food and Drug Administration at Beltsville. But we are exploring other sites, and the possibility of it having a close physical relationship with the environmental health site. And since that one had not been selected, we couldn't say specifically where this one would be. We hope that before you have finished acting on this bill that we will be able to identify for you our recommendations as to the site for both facilities.

DESIRABILITY OF LOCATING IN WASHINGTON AREA

Mr. LAIRD. You know, Mr. Larrick, I am kind of concerned about the concentration of everything here in the District of Columbia or in this Washington metropolitan complex. I have found that some of the best work done by Government has been in facilities and in headquarters located outside of Washington. Everybody seems to be living in sort of a goldfish bowl around here. They are bothered by a lot of distractions—some from Capitol Hill. I would like to diversify a little instead of centralizing everything in Washington.

Do you think that all of your activities have to be located here in the District of Columbia?

Mr. LARRICK. No. Let me say to begin with that since you are now an author and have written an important book, I have all the more respect for your judgment. We have tried to anticipate that, by building 18 laboratories scattered all the way from Boston to Los Angeles. And these 18 installations are built in such a way that we will be able progressively, as science in our areas gets more complicated, to delegate a great deal of our scientific work to all these 18 field laboratories. There are certain operations that cannot feasibly, economically, be duplicated throughout the country. This holds true for certain animal work that is really very expensive to do and where you have to have, for example, a whole host of dogs, cats, guinea pigs, rats, hogs, and whatnot. And as a corollary to that, you have to have chemists to do the chemical work on the tissues and to do the chemical work on the compounds that are fed to these animals. You have to have completely integrated scientific groups within reasonable access to each other. And those are the types and kinds of laboratories that one needs.

Mr. LAIRD. Well, do you suppose we could enlarge these field laboratories in such a way that certain selected responsibilities be given them in this area?

Mr. LARRICK. Yes.

Mr. LAIRD. That is, select one of these regional areas and enlarge their facilities to take care of this work?

Mr. LARRICK. Yes, I think something along that line could be worked out. I don't think it could be worked out to take the place of the one we are requesting now, because it is comparable to what we already have. But for the future I think, yes, we could very well plan along that line and work something out.

REPROGRAMING 1963 FUNDS

Mr. LAIRD. Mr. Larrick, I note here a letter that was sent to this committee on January 17, 1963, in which certain reprogramming actions were taken with funds that were granted by this committee and approved by the Congress. The funds in the amount of \$1,300,000 were appropriated by the Congress for one purpose and under this reprogramming they were taken and used for another purpose. They were used to replace appropriations which were turned down by the Congress. The chairman of our committee, Mr. Cannon, objected to the deficiency appropriation bill, which was passed by the Senate, going to conference. And this particular bill was killed in this manner.

I am concerned with this procedure being used. When we make appropriations to the Food and Drug Administration, we expect the money to be used for the purpose for which it was appropriated. This reprogramming to my way of thinking was not the usual kind of reprogramming at all, because it used funds for the specific purpose that the Congress had, in fact, denied.

What is your comment on this?

Mr. KELLY. May I speak to the point?

Mr. LAIRD. I would like to hear Mr. Larrick speak to the point, because he is in charge of this operation. We expect you to use these funds for the purpose for which they are appropriated.

And there is a very serious question in my mind regarding this kind of procedure. I am really surprised the Food and Drug Administration would be a party to it.

Mr. LARRICK. Well, let me say first, Mr. Laird, that it was not my understanding that Mr. Cannon or anyone else objected to the final deficiency appropriation act because of the inclusion of these items that were designed to fill a very important and obvious public health gap—

Mr. LAIRD. No. His objection was not to your particular appropriations. His objections, I think, were based on the idea that we were late in the session and that there was no reason that these departments couldn't come back here in January and ask for the funds. And to a great extent time has shown he was right.

Mr. LARRICK. I just never knew precisely what his objections were. But I did understand that they were quite unrelated to the basic purposes that we had to meet—to fill a truly unusual gap in public protection that was disclosed by the birth in Germany and other countries

of some thousands of babies without arms and legs. And I certainly agree with you that we want to husband whatever reputation we have with the Congress. And we want to expend money for what it is appropriated for. But I still think——

Mr. LAIRD. For emergency purposes, we have always made certain funds available to the President for his release during the time that Congress was out of session. The President's emergency funds are available to take care of real emergencies. This procedure of merely sending a letter to the committee after the fact, I think, leaves a lot to be desired.

Mr. LARRICK. Of course, I don't have any opportunity to make any decision as to what is done with the President's emergency fund.

Mr. LAIRD. Let's hear from Mr. Kelly on this.

Mr. KELLY. I think the procedure we took was an appropriate one. I would like to explain and defend it. First, I think the Congress made available so much money to the Secretary for the fulfillment of his obligations and responsibilities in carrying out the Food, Drug, and Cosmetic Act; and I think that he would fail to fulfill this responsibility if he had an identifiable, serious obligation under that law for which adequate provision had not been made in the budget but which he considered to be of higher priority than those items for which provision had been made in the budget and he were to sit back and say: No, I am not going to fulfill that because we didn't make provision for it in the budget.

I think that he has a responsibility to so reorganize his resources as to with the highest possible degree of perfection in management that he can make—that he identify the highest priorities and assign a staff——

Mr. LAIRD. This sounds like one of Professor Burns' books.

Mr. KELLY. It may be.

Mr. LAIRD. That book takes the point of view that the Congress doesn't have any place in the appropriation procedure any more. That is the whole theme through the entire book.

Mr. KELLY. It certainly hasn't been the position of this Department. We have tried very, very hard to carry out our responsibilities in the way in which we laid them out before the Congress. And when any significant change occurs we send a letter to the Congress telling them about it. But I think you would have castigated the Secretary if he had said he was not going to fulfill his responsibilities under the new drug regulations that we told you about, and he was not going to fulfill his responsibilities under the new drug law, because that appropriation had failed, when funds were available for the carrying out of that act.

Mr. LAIRD. Then the Congress is responsible; and the Congress has to assume that responsibility. If it is unwilling to assume that responsibility, then there is something wrong with our whole system.

Mr. KELLY. We certainly wouldn't have taken funds from, say, the National Institutes of Health and transferred them to this purpose.

Mr. LAIRD. You transferred funds here.

Mr. KELLY. No. No.

Mr. LAIRD. Funds that were appropriated for an entirely different purpose.

Mr. KELLY. We took the funds that were made available for the salaries and expenses of the Food and Drug Administration to administer the Food, Drug, and Cosmetic Act and applied them for the administration of that act, but in a different manner than that which we had laid out before you. And as soon as we decided to do that, we wrote you a letter and told you about it so that you would know that we had run into this problem.

Mr. LAIRD. On January 17 the Congress was in session. This letter is dated January 17.

Mr. KELLY. Yes, sir; it is.

Mr. LAIRD. And the Congress was here in session. I don't care what you say, the plain facts are that these activities had not been funded by the Congress. As a matter of fact, the appropriation for these activities had been denied.

Mr. KELLY. It had, yes.

Mr. LAIRD. This particular case is a meritorious case. I am not quarreling with the case and the need. I would have been glad to go along with immediate action as far as the Congress was concerned on the funding of this particular work. But it is the principle that is involved here. If we are going to appropriate funds to various agencies and bureaus and so forth with an understanding of how they are going to be spent, and then because you change your mind regarding the priorities, after Congress has acted, and make wholesale readjustments, I think we are headed for serious trouble.

Mr. KELLY. I think the circumstances changed, Mr. Laird. Let me just give you an example. Forgetting the new Drug and Cosmetic Acts and forgetting this incident, that involved the reprogramming, we spent a great deal more money than we had ever told the Congress we were going to spend because of the thalidomide incident. And I think that the Food and Drug Administration and the Secretary would not have fulfilled their responsibility when this developed if they didn't marshal their resources toward this purpose.

Mr. LAIRD. Well then, something else suffers in the program.

Mr. KELLY. It has to.

Mr. LAIRD. If you are going to make some other part of your program suffer, I think, even more, that it is your responsibility to come to the Congress and get the money. If you are turned down then, it is not your fault. It is not your responsibility. You have to put the responsibility on the Congress.

Mr. KELLY. Yes. But I think that the Secretary if he has the legal power and responsibility to administer the act, that the responsibility does fall on the Congress if the money is not sufficient. I think, however, that the responsibility is his to take the funds that are available to him and make the best use he can of them to carry out the responsibilities that have been imposed on him. I think that is what this does.

Mr. LAIRD. Even though those funds had been denied by the Congress?

Mr. KELLY. Additional funds had been denied.

Mr. LAIRD. That is what we are talking about. I believe you asked for \$1,500,000, and it was denied.

Mr. KELLY. That is right.

Mr. LAIRD. Now you take \$1,300,000 from your other programs which had been approved by the Congress.

Mr. CARDWELL. The original request was \$2,600,000.

Mr. LAIRD. I am talking about the \$1,500,000 that was denied in the final days of the 87th Congress. The Senate denied \$1,100,000 of it right at the start; and by Senate action, \$1,500,000 was put in the bill. Then it came over here, and the whole thing was denied. I think it was a mistake that it was denied. But at the same time I think a principle is involved here that is a very important principle as far as the Congress is concerned. If we ever allow this principle to be established, that your Department can just rearrange these funds however you like I think we might as well close up shop here.

Mr. KELLY. Well, I am really surprised that you react that way, Mr. Laird. Because what we were doing was both a responsibility and a responsible action; we were keeping you informed of the action. I think the number of times in which we reprogram funds is very, very few. And we do keep you informed. And we do feel that the Congress does make the determination. I think that there is a distinction between the legal discretion which an organization has and the kind of discretion which you can afford to exercise in your relationships with the Congress. I think there is no question in your mind that the legal discretion is far wider than that which is ever used; that the law does not make the funds available just for given purposes as outlined in the justification.

Mr. LAIRD. But we could do that. We have not done that because we felt we had an understanding with the Department that we didn't have to put these things down on a line-item basis. Now, if it becomes necessary we can appropriate, on a line-item basis, every penny that goes to the Food and Drug Administration or Public Health or any other agency.

Mr. KELLY. That is right. I think it would be most unfortunate. And I think that recognizing the degree of discretion that is given to us by law, that we are careful not to exercise that discretion except where it is in our judgment very important that we deviate from the basic plan that we laid out before you. And when we do deviate, we send you a letter advising you of this. You don't have to find it in our justifications or our schedules of change. We call to your attention the adjustments we made and the elements of consideration that gave rise to our feeling that we had to deviate from the plan. I think that the elements that we laid before you here, in my judgment, support and substantiate a sound judgment that was made in the fulfillment of the responsibilities that you have imposed upon the Department.

Mr. LAIRD. Well, I think that if this procedure continues, you are going to end up with a line-item budget all the way, because certainly this kind of procedure is one which the Appropriations Committee as a committee has looked on with great disfavor over the years.

QUESTION OF OTHER FUND TRANSFERS

Mr. LESINSKI. At that point, Mr. Laird, I have been told that under "Environmental health sciences" that the HEW has taken funds from "Water pollution control," which, of course—"Water pollution control" suffers. And at the present time there are funds taken from HEW not authorized by Congress for the American Peace Corps. The Peace Corps operations in America.

Is that true?

Mr. KELLY. I don't think so, Mr. Lesinski. I think this discussion comes about by reason of the fact that we have a management fund under which we operate research services, laboratory services, and the administrative management of the Bureau. Each of the appropriations for environmental health services pays its share of these costs. But this is clearly reflected in the budget, and we have not deviated from the plan we had in the budget. I have no knowledge of the Department incurring any expenditures for this domestic Peace Corps.

As you know, the Secretary did talk about this grant that was made to the organization called ACT in Harlem. In that one they did refer to their people as being a domestic Peace Corps. But so far as we know it has no relationship to the program which the President has discussed in this area. It is just a similarity of newspaper terms. As a matter of fact, the President has not called the Corps the Domestic Peace Corps; this is just a popular expression used in the newspapers.

Mr. LAIRD. It was used in the justification for the grant.

Mr. KELLY. And it has a similarity to the newspaper popular term. Actually, the President's proposal was referred to as the National Service Corps. I really feel, Mr. Laird, that in the financial management of the Department of Health, Education, and Welfare we have striven hard to establish a responsible attitude and one which was responsive to the Congress and kept the Congress informed of changing circumstances.

1963 REPROGRAMING

Mr. LAIRD. I think this work needs to be done. And I would like to have seen a supplemental go through to take care of this work. But my questioning of what you did here on the 17th of January goes to quite a different point.

Mr. KELLY. I understand your point.

The only thing which differs in this reprogramming action from other reprogramming actions that we have given you in the past where we have made adjustments or where it was not large enough for us to give you a reprogramming action—such as the thalidomide incident that I identified—the one significant difference in this one incident than in any one that we have ever presented to you before is that we informed you that we were going to employ more total employees than we had asked for. This was an unusual act.

I don't think that we have ever resorted to it before. But we thought that the circumstances warranted it.

STAFF INCREASES SINCE 1956

Mr. LAIRD. Mr. Larrick, I would like you to put at this point in the record a table showing the increase in staff each year since the first year following the original citizens committee report, including the budget for 1964 and broken down between Washington and the field. (The information follows:)

Food and Drug Administration—Total annual appropriations, 1956–64

[Dollar amounts in thousands]

Year	Headquarters		Field		Total	
	Positions	Amount	Positions	Amount	Positions	Amount
1956.....	319	\$2,235	558	\$3,909	877	\$6,144
1957.....	365	2,400	666	4,379	1,031	6,779
1958.....	413	3,381	767	6,254	1,180	9,635
1959.....	459	3,775	853	7,142	1,312	10,917
1960.....	624	4,912	1,036	8,888	1,660	13,800
1961.....	822	6,934	1,367	11,914	2,199	18,848
1962.....	952	8,224	1,518	14,776	2,470	23,000
1963.....	1,277	11,742	1,955	17,364	3,232	29,106
1964.....	1,668	16,330	2,199	19,475	3,867	35,805

NET INCREASE EACH YEAR, 1957-64

1956, base year.....	319	\$2,235	558	\$3,909	877	\$6,144
1957 increase.....	46	165	108	470	154	635
1958 increase.....	48	981	101	1,875	149	2,856
1959 increase.....	46	394	86	888	132	1,282
1960 increase.....	165	1,137	183	1,746	348	2,883
1961 increase.....	208	2,022	331	3,026	539	5,048
1962 increase.....	120	1,290	151	2,862	271	4,152
1963 increase.....	325	3,518	437	2,588	762	6,106
1964 increase.....	1,391	4,588	244	2,111	635	6,699
1964 total.....	1,668	16,330	2,199	19,475	3,867	35,805

¹ 1964 increase largely due to increased drug activities.

FRAUDULENT MEDICAL PRACTICES

Mr. FOGARTY. We didn't go into some of these things in the field of quackery. So, would you supply for the record the progress that has been made in that? Some of the problems that you have run into in the enforcement of it and the court cases and give us a complete rundown?

Mr. LARRICK. We will be glad to.
(The information follows:)

STATEMENT OF FDA ACTIVITIES TO PROTECT CONSUMERS AGAINST FOODS, DRUGS, AND COSMETICS MARKETING UNDER FALSE AND MISLEADING OR OTHERWISE MISREPRESENTED CLAIMS

Among the responsibilities entrusted to the Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act of 1938, as amended, is the responsibility to protect consumers against foods, drugs, and cosmetics marketed in interstate commerce under false and misleading or otherwise misrepresented claims made on labels, in package inserts, or other literature accompanying products, in verbal statements and appeals, and the like. In fulfilling this responsibility, FDA maintains close working relationships with other Federal agencies, such as the Federal Trade Commission and the Post Office Department.

The problem represented by the sale of foods, drugs, and cosmetics under false and misleading claims is one that has become considerably more serious in recent years. Among the reasons for this are the following:

1. The improvement and extension of mass communications media are permitting unscrupulous individuals and groups to reach greater numbers of people.
2. Increasingly sophisticated and effective techniques used in advertising and selling are available to the unscrupulous, as well as to honest promoters.
3. Great advances in the sciences have conditioned people to expect unlimited results from research. This "conditioned reflex" is used by the unscrupulous to peddle worthless products by representing them as dietary, medical, or other "breakthroughs."
4. The growing segment of the Nation's population made up of the aged and the aging provides unscrupulous promoters of fake cures and dietary products with an increasingly large group highly susceptible to their spiels.

More than any other group, the aging and aged suffer from various metabolic and degenerative problems. Cures for many of these have not yet been found, and Spielers thus have an audience most receptive to anything that promises a cure or some relief from the suffering produced by such diseases.

Probably the best way to indicate the seriousness of this problem and show what FDA is doing about it is to identify the more important cases on which FDA has taken action in recent months. A list of some 85 percent of the cases covering the period July 1, 1961, to December 31, 1962, follows:

Recent enforcement actions in Federal courts involving food supplements, July 1, 1961, to December 31, 1962

PRODUCTS SEIZED UNDER COURT ORDERS (CLOSED CASES)

Product: Revco Vitamins and Minerals

Shipper: Regal Drug Co., Detroit, Mich.

Charges: False and misleading therapeutic claims and labeling.

Vitamin A: Labeling and price list contain statements: "adequate and effective for treatment and prevention of infection, retarded growth, loss of vigor, to promote growth and vitality necessary for reproduction."

Vitamin C: "for prevention of improper formation of bones and teeth, tooth decay, hemorrhage, and muscular weakness."

Vitamin E: "for prevention of sterility, muscular dystrophy, failure of reproduction."

Formulas 101 and 202: "article supplies all the vitamins and minerals the ordinary diet does not furnish sufficiently. For treatment and prevention of nervousness, irritability, tenseness, to promote energy and pep, help maintain healthy skin, hair, and nails."

Disposition: Consent decree. Literature destroyed. Portion of shipment of product released to claimant May 23, 1961. Remaining portion destroyed July 3, 1961.

Product: Lem-O-C-Wafers

Shipper: Private Formulae, Inc., St. Louis, Mo.

Charges: The product was represented as a food for special dietary use, but it failed to bear the special labeling for such foods prescribed by law. The label statement "Helps Build Resistance to Colds—Sinus Conditions—Allergies—Tooth Decay—Hay Fever," was false and misleading since the product was not effective for such purposes.

Disposition: Default decree. Destroyed July 6, 1961.

Product: "He-Man" Hematinic Tonic

Shipper: Registered Pharmaceuticals, Ltd., Portland, Oreg.

Charges: False and misleading claims. Statements suggest that article is effective as a tonic for increasing the sexual potency and/or virility of man.

Disposition: Default decree. Destroyed July 21, 1961.

Product: Y-Min Tablets and Vitamin C Tablets, Granular Y-Min, Mineral-Vitamin Tablets, Concentrated Dietary Supplement

Shipper: Thurston Labs., Los Angeles, Calif.

Dealer and repacker: Yensen Mineral Co., Parma, Utah.

Charges: False and misleading claims and labels; failure to bear common name of each ingredient, and information regarding its vitamin properties.

Disposition: Default decree. Destroyed August 7, 1961.

Product: Sacro-Disc-30 Tablets

Dealer: Armisly Products Co., Baltimore, Md.

Charges: The name of the article and statements in the brochure which claim that the product is effective for treatment of backache, slipped disc, arthritis, rheumatism, etc., are false and misleading. The label fails to bear the name of the active ingredient thiamine hydrochloride.

Disposition: Consent decree. Article and brochures destroyed August 8, 1961.

Product: Ocean Aid (Sea Water)

Shipper: Ocean Concentrate, Inc., Vero Beach, Fla.

Charges: The labeling of the product, namely the bottle label and the placard entitled "Ocean Aid to Better Health Concentrated Ocean Water," contained statements which falsely suggested that the product was effective for better health, essential to health and well-being, and was effective for the treatment of disease of man. The label also falsely suggested that ordinary foods as consumed are lacking in all the trace minerals that are found in the product.

Disposition: Default decree. Placards and article destroyed August 10, 1961.

Product: Formula 13 Protein Supplement

Dealer: Nu-Age Corp., Minneapolis, Minn.

Charges: The label contained statements which falsely suggested that the article supplied a sufficient amount of protein for special dietary supplementation. The label also falsely suggested that the article was effective to promote growth in children, to build vitality and endurance for all age groups, to develop athletic physiques, and to lose and gain weight.

Disposition: Default decree. Article destroyed August 12, 1961.

Product: Hadacol Capsules

Shipper: Plough, Inc., (Hadacol, Inc.) Memphis, Tenn.

Charge: Labeling of product made false claims of effectiveness for treatment of tiredness, constipation, headaches, grouchingness, washed-out appearance, worn-out condition, iron deficiency anemia, etc.

Disposition: Default decree. Destroyed August 23, 1961.

Product: Worthall Multiple Vitamins; Worthall Vitamin C; Worthall Vitamin E; Worthall Vitamin B₁; Magnivil Vitamins and Minerals; Daily Ration with Minerals; Soluvil Ovalettes Multiple Vitamins; Daily Ration Multiple Vitamins

Shipper: Preston-National Drug Co., Dallas, Tex.

Charges: False and misleading therapeutic claims in the labeling literature for the prevention and treatment of many diseases and conditions including arthritis, colds, sterility, liver diseases, and alcoholic overindulgence.

Disposition: Consent decree. Misbranding labels and literature destroyed, article relabeled August 8, 1961.

Product: Honeymalt.

Shipper: The Honeymalt Co., Philadelphia, Pa.

Charges: False and misleading name and label statement, "The Goodness of Malt" since the product does not contain malt; false and misleading label statements which suggest that the product is effective to promote health, supply quick energy without sugar, and promote digestion with enzyme action; and that the honey and maltose of the article supplies all vitamins and minerals in significant amounts for special dietary use.

Disposition: Default decree August 29, 1961. Destroyed September 29, 1961.

Product: Coldene Vitamin Tonic With Iron

Shipper: Pharma-Craft Corp., Cranbury, N.J.

Charges: False and misleading labeling claims for rundown conditions, and for use in convalescence from colds, flu, and similar illness; and other charges.

Disposition: Default decree July 6, 1961. Destroyed October 4, 1961.

Product: Concentrated Pure Atlantic Water

Shipper: The Florida Sea Brine Labs, Inc., Lakeland, Fla.

Charges: False and misleading therapeutic claims for a number of serious diseases including cancer, arthritis, and diabetes; labeling literature (reprints of "Worry Clinic" by Dr. Geo. Crane) makes false and misleading statements that the product is a "chemical smorgasbord" for body glands, providing for the proper function of the pancreas, thyroid, stomach, bone marrow, and other organs and glands to guard health and prevent sickness, and that the user may achieve better health by use of the product.

Disposition: Condemned by court order September 29, 1961. Destroyed October 18, 1961.

Product: "Family Plan Vita Food Supplement"

Shipper: Mace Laboratories, subsidiary of T. A. Rawson, Inc., Fort Worth, Tex.

Charges: False and misleading claims in the labeling literature that the product will maintain the body balance; promote health, the reproductive processes, and growth; tone the body; promote assimilation; that it is impossible to obtain adequate amounts of vitamins and minerals in the ordinary food supplies for proper nutrition; that the product contains every known vitamin and mineral needed by growing children; and that the article complies with the U.S. food and drug laws. Also charged that required information regarding special dietary properties was in part omitted.

Disposition: Condemned by court order October 23, 1961. Destroyed October 26, 1961.

Product: Haug's (Safflower oil) Capsules

Dealer (repacker) : Haug Drug Co., Milwaukee, Wis.

Charges : False and misleading labeling claims for controlling the cholesterol level of the blood, and for the treatment and prevention of heart disease and atherosclerosis; and other charges.

Disposition : Default decree October 10, 1961. Destroyed October 26, 1961.

Product: Protorulis Tablets (Torula Yeast)

Dealer (repacker) : Beacon Products, Chicago, Ill.

Charges : False and misleading labeling claims that the product will promote bodybuilding and that the product will supply significant amounts of protein, cobalt, chloride, nickel, lead, aluminum, manganese, zinc, sodium, silicon, and other factors for special dietary supplementation; failure to bear required special dietary use information.

Disposition : Default decree July 28, 1961. Destroyed November 7, 1961.

Product: National Lecitabs (Lecithin) Tablets

Shipper : National Lecithin, Inc., Chicago, Ill.

Charges : False and misleading therapeutic labeling claims for promoting utilization of fat and lowering blood cholesterol; and other charges.

Disposition : Default decree October 31, 1961. Destroyed December 6, 1961.

Product: Nutri-Kings Food Supplement (Vitamins and Minerals)

Shipper : Universal Nutritions, Inc., New York, N.Y.

Charges : Listing on the label of 23 ingredients, including watercress, Pacific coast kelp, parsley, and alfalfa leaves falsely suggests that the ingredients are present in nutritionally significant quantities for special dietary purposes, which is not true; labeling claims for treatment and prevention of many ailments including weak blood, poor eyesight, and poor teeth, and that the product would bolster health, increase energy, stimulate alertness, etc., are false and misleading.

Disposition : Consent decree December 7, 1961. Destroyed December 14, 1961.

Products: Honey, Vinegar and Sea Kelp ("Health Food")

Dealer : Health Food Sales Co., Denver, Colo.

Charges : That all products were misbranded by false and misleading claims in accompanying labeling which included the books, "Folk Medicine" and "Arthritis and Folk Medicine" by D. C. Jarvis, M.D. Therapeutic claims alleged to be false and misleading included high blood pressure, heart disease and heart attacks, stomach and intestinal ulcers, arthritis, obesity, diseases of the gall bladder, and infections of the lungs and kidneys.

Disposition : Consent decree. Relabeled December 19, 1961.

Product: Cernelle Pollitabs

Dealer : Poll-N-Co., Inc., Maitland, Fla.

Charges : False and misleading labeling for pernicious anemia, retarded growth in children, loss of appetite, weakness, neurological disorders, ailments of the skin, nutritional anemia, strengthening the blood, growth and health, and producing energy; also that pollen is the richest, most potent plant source of vitamin B₁₂ and is superior to the synthetically produced vitamin and that the article contains significant amounts of various vitamins and minerals for special dietary use.

Disposition : Consent decree. Destroyed December 21, 1961.

Product: Mineral Life Capsules

Shipper : Nutritional Progress Scientific Co., Logan, Utah.

Charges : False and misleading therapeutic claims in labeling leaflets for treatment and prevention of over 40 diseases and conditions including cancer, heart trouble, rheumatoid arthritis, and overweight. The product is a drug made from more than one ingredient and the label fails to bear the common or usual name of each active ingredient.

Disposition : Consent decree September 13, 1961. Destroyed December 27, 1961.

Product: "Sears Approved Liver, Iron, Folic Acid Vitamin B₁₂ and C Formula"

Shipper : Rexall Drug & Chemical Co., St. Louis, Mo.

Distributor (label) : Sears, Roebuck & Co., Chicago, Ill.

Charges : The label statement, "a dietary supplement fortified with elements to aid red blood cell formation" is false and misleading since the article is not

adequate and effective for such purpose. Label statement that each capsule is a rich source of B-complex factors is false and misleading since the article contains an insignificant amount of liver for special dietary use. Product contains folic acid, a food additive not cleared for safety under the Food Additive Amendment. Disposition: Default decree. Destroyed January 10, 1962.

Product: "Sea Brine" Concentrated Sea Water

Shipper: Florida Sea Brine Laboratories, Inc., Lakeland, Fla.

Charges: Misbranded by false claims on the label and the accompanying labeling; namely, a leaflet entitled "Sea Brine . . . from ocean to you," that the label was a "U.S. Court Approved Label" and that the article was of significant value, by reason of its iodine content, for special dietary and therapeutic use for promoting the activity of the thyroid gland and the production of the hormone thyroxin.

Disposition: Default decree. Articles and leaflets destroyed July 24, 1962.

Product: Super Plenamins Junior Liquid, Super Plenamins Multi Vitamins

Shipper: Rexall Drug Laboratory, St. Louis, Mo.

Charges: Super Plenamins Junior Liquid: False and misleading labeling claims for nervous irritability, constipation, indigestion, and loss of energy in children; and other charges.

Super Plenamins Multi Vitamins with Minerals: False and misleading labeling claims for lack of appetite, loss of energy, nervous irritability, insomnia, constipation, indigestion, rundown condition, and listlessness; and other charges.

Super Plenamins Junior Tablets: False and misleading labeling claims for lack of appetite, loss of energy, listlessness, nervous irritability, insomnia, constipation, indigestion, and rundown condition in growing children; and other charges.

Disposition: Consent decree July 28, 1961. Misbranding labeling destroyed, goods relabeled January 11-12, 1962.

Product: Johnson's 16-Vitamins-16 with 6-Minerals-6 Tablets

Dealer: Lura-Glo Products, Inc., Oakland, Calif.

Charges: False and misleading labeling for retarded growth, respiratory infections, nervous disorders of all types, colitis, anemia paralysis, degeneration of sex glands, tuberculosis, cholesterol in the blood, and loss of hair.

Disposition: Condemned by court order January 10, 1962. Destroyed January 15, 1962.

Product: Alfa-Kelp Tablets

Shipper: Randal Nutritional Laboratories, Santa Rosa, Calif.

Charges: False and misleading label statements suggest that the product is of significant benefit for special dietary use because it contains dehydrated alfalfa juice, dehydrated alfalfa seed sprouts, chlorophyll, trace minerals, enzymes, and vitamins generally natural to alfalfa.

Disposition: Default decree. Destroyed January 30, 1962.

Product: El Molino Kitchens Mineralized Molasses Cookies and Wheat Germ Cookies

Shipper: El Molino Mills, Alhambra, Calif.

Charges: The name of the product and statements appearing in its labeling (display case) falsely represented that the products were of special benefit for special dietary use by reason of the addition of organic natural minerals, and that all such minerals were present in significant amounts for special dietary use. The accompanying leaflets and product labels falsely represented the product as effective for treating and preventing borderline conditions with indefinite symptoms, instability of the nervous system, lack of energy, lowered resistance to disease, aches, and pains; for regaining and maintaining health; and for promoting vigor, proper growth, and repair of tissues.

Disposition: Consent decree. Products destroyed November 7, 1961.

Product: Torrance's 19 Aminos Tablets; Torulose Tablets and Powder (Yeast); JerOtene Capsules

Dealer and repacker: Jerico Laboratory, Division of the Torrance Co., Kalamazoo, Mich.

Charges: Misbranded by false and misleading claims in labeling. Products and claims included:

Torrance's 19 aminos tablets for supplying a significant amount of protein for special dietary supplementation after severe injury, for promoting growth in children, for use during pregnancy and lactation.

Torulose tablets and powder: for promoting radiant health and for developing champions.

JerOtene Organic Carotene A capsules: for promoting growth, appetite, and digestion; for maintaining a healthy appearance of hair and fingernails, and a healthy balance of epithelial and nerve tissues; and for preventing infection of the respiratory system.

Disposition: Consent decree. Articles relabeled in compliance with the law, December 19, 1961.

Product: Protectomine Tablets (high potencies of all the needed vitamins with minerals and other factors)

Shipper: American Dietaids Co., Inc., Yonkers, N.Y.

Charges: Misbranded by false claims on bottle labels and in accompanying literature that the products were effective for treating and preventing rundown and worn-out conditions, nervousness, listlessness, half-alive feeling, lowered resistance, tension, irritability, premature aging, eye troubles, teeth cavities, and pyorrhea.

Disposition: Consent decree. Product destroyed January 12, 1962.

Product: Mirandol (Multi Vitamin and Mineral Tablets)

Dealer: National Health Products, Chicopee, Mass.

Charges: Misbranded by false and misleading claims in leaflets and folders that the product was effective for treating and preventing arthritis, anemia, poison in the body, kidney troubles, insomnia, premature old age, and other diseases and conditions.

Disposition: Consent decree. Misbranding literature destroyed, product relabeled January 24, 1962.

Product: Hilcoa Food Supplement

Shipper: The Hilcoa Co., Oakland, Calif.

Charges: The label statement "Protein with Lecithin Food Supplement" suggested that the protein and lecithin in the product were present in significant amounts for special dietary use. This statement was false and misleading since the protein in the product was present in insignificant amounts for such purposes, and lecithin has no special nutritional significance.

The label statement "Twice, three times, or even more than the recommended daily intake may be desirable to augment your normal diet" was misleading since it suggested that a daily intake of over 108 tablets of the product was nutritionally desirable and that the normal diet requires supplementation with protein and lecithin.

Labeling literature, including sales manuals, contained statements which suggested that the "Vitamins and Minerals" product was significantly more effective for special dietary use when consumed with the "Protein With Lecithin" and that the combination of both products resulted in a complete program for special dietary use; that the products, under the directions for use, would supply the minimum daily requirement for protein; that most individuals do not get enough proper wholesome food because of nutritional losses resulting from storage, processing, cooking, and selection practices; that the products supplied an abundance of high quality protein to correct improper protein intake; that the average consumption of protein is less than 50 percent of the minimum daily requirement; and that the lecithin in the products would supply for special dietary use a significant amount of essential unsaturated fatty acids and an abundance of important elements found in all living cells. These statements were charged false and misleading.

Disposition: Consent decree. Products destroyed, May 1, 1962.

Product: All-In-One Capsules (dietary supplement)

Distributor: State Pharmacal Co., Chicago, Ill.

Charges: Misbranded by false claims in accompanying literature that the product was effective for treating obesity, controlling the appetite, giving the feeling of a full, contented stomach when reducing, and keeping its consumer feeling fine while losing weight. Statement "Malt diastase 25.00 mg." and "with . . . Digestive Ferments" were charged misleading because they suggested that the product, as a special dietary food, would supply significant amounts of malt diastase and digestive ferments to promote digestion. The addition of enzymes to the diet is of no value for special dietary food purposes.

Disposition: Default decree. Product destroyed, February 1, 1962.

Product: Nemco Vitamin Products

Dealer: George Nemiroff and Co., Inc., New York, N.Y.

Charges: Misbranded by false and misleading claims that products containing a specific vitamin would provide special benefits as follows:

Vitamin A: for preventing night blindness; maintaining resistance, promoting cell growth, and assuring normal reproductive function;

Vitamin B₁: for aiding in the digestion of starches and sugars, health and motility of the intestinal tract, vital support for the liver, proper function of the nervous system, and in various forms of neuritis;

Vitamin B₂: for guarding against sore mouth and tongue, and granular eyelids;

Vitamin B₆: for supporting the digestion of fats and proteins, and aiding in certain skin and nervous disorders;

Vitamin B₁₂: for aiding in maturing of blood cells, metabolizing nerve tissue, and promoting growth of the underdeveloped child;

Vitamin C: for guarding against gum diseases, aiding in the function of certain glands, helping to build and strengthen the cement-like substances in the blood vessels treating physiological and psychological stress, inflammatory conditions, virus and infectious diseases, and allergies; healing wounds and severe burns; and preventing simple colds;

Vitamin E: for helping cell metabolism and fertility and treating and preventing coronary artery disease, threatened abortion, and muscular atrophy;

Vitamin K: for forming blood clotting substances originating in the liver, and correcting an increased tendency to bleed;

Folic acid: for improving the utilization of proteins and amino acids;

Niacinamide: for guarding against skin disorders, and promoting utilization of some of the protein factors.

It was charged that the diseases, symptoms, and conditions mentioned are rarely, if ever, caused by a dietary deficiency of the vitamins mentioned, and use of the products would not prevent or correct such conditions.

The products were further misbranded by false and misleading claims that practically everyone in this country is suffering from, or is in danger of suffering from, a serious dietary deficiency of vitamins and minerals which is likely to result in specific deficiency diseases including rickets, pellagra, scurvy, and goiter, as well as a great number of nonspecific symptoms and conditions; that such dietary deficiency is due to loss in the nutritive value of foods caused by the growing of foods on depleted soils, and by the storage, processing, refining, shipping, and cooking of foods; that there are increased needs for nutrients by the ordinary individual, due to physical and psychological stress, increased intakes of starches and sugars, and the limitation of diet below adequate levels because of a sedentary mode of life; and that it is considered by health authorities to be advisable and even essential to supplement the diet with vitamins and minerals in order to prevent deficiencies of vitamins and minerals.

Claims for specific products charged false and misleading were:

Nemco-Vite Multi-Vitamins for preventing and treating anemia and liver damage essential to blood formation, better nutrition and health; for prolonging life and causing one to live a useful, zestful, and comfortable life; for skin conditions because of the Vitamin F ingredient.

Nemco-Vite and Vitascorbic for treating pernicious anemia (misleading since the amount of intrinsic factor provided by the products is an insignificant fraction of the necessary daily amount of the substance needed when the body fails to produce its own supply in pernicious anemia).

Vitascorbic for preventing and treating anemia, grayish pallor of the skin, lassitude, mental depression, digestive upsets; beneficial effect on the intestinal flora; building new red blood cells; and adding years to one's life.

Nem-B Globlin for treating all types of anemia, including pernicious anemia, headaches, listlessness, poor appetite, shortness of breath, frequent bleeding, general washed-out feeling; promoting better absorption and utilization of protein, and growth in the underdeveloped child; and aiding in maturation of blood cells and metabolism of nerve tissues.

Nemco Geriatric Elixir for adding years to one's life, prolonging virility, retarding the complaints of later years, preventing tiredness and insomnia, and speeding up recovery after exertion.

Nemco-Bild for body building, appetite boosting, and treating retarded growth, improving protein utilization; and aiding in converting vegetable protein to the equivalent of the energy-building meat protein.

Disposition: Consent decree. Products given to charity, April 24, 1962.

Product: Norris (brand of vitamins, minerals, and Lecithin)

Dealer: Textile Mart (Jay Norris Co., and Norris Nutritions), New York, N.Y.

Charges: Claims on bottle labels and in dealer's catalog that certain diseases, symptoms, and conditions are usually and frequently caused by deficiencies of certain vitamins or minerals, and that use of one of the firm's products would correct and prevent such conditions, charged false and misleading.

Products and claims were:

Vitamin B-12 for poor growth, poor appetite, nutritional anemia.

Vitamin A for poor growth, unhealthy skin, poor eyesight, infections, and colds.

Vitamin B-1 for loss of appetite and muscle tone and vague aches and pains.

Vitamin B complex with iron and vitamin C for tired washed-out feeling, tense and unsteady nerves, lost vitality; and unhealthy gums, teeth, bones, and blood vessels.

Vitamin E for sterility, nonpregnancy, and muscular and nervous disorders.

One daily small vitamins; one small fortified multiple vitamins and minerals; therapeutic vitamins and minerals; superpotency vitamins and minerals; and prenatal capsules. (All products were combinations of Vitamins A, B-1, B-12, B Complex, E and C and were promoted with the same claims as for each vitamin separately.)

Further charges of false and misleading claims were brought against the products included claims that they were effective for treating and preventing a number of diseases:

Therapeutic vitamins and minerals: for insomnia and loss of weight.

Superpotency vitamins and minerals: for nervous tension, lowered resistance to illness, help in metabolizing fat, fighting stress and digestion, and relaxing nerves.

Prenatal capsules. for leg cramps, anemia, tooth decay, weak blood vessels, nervous tension, combating nausea; for maintaining the health of pregnant women and their unborn babies.

Lecithin capsules for aiding in the utilization and transportation of fat, preventing and removing fatty deposits, preventing and eliminating the cholesterol deposits of arteriosclerosis, and controlling hypercholesterolemia.

Citrus bioflavonoids with vitamin C: for common colds, unhealthy gums, teeth, bones, and blood vessels, fatigue, healing wounds, and preventing anemia.

Disposition: Consent decree. Products destroyed, May 18, 1962.

Product: Coldene Vitamin Tonic with Iron

Shipper: Pharma-Craft Corp., Cranbury, N.J.

Charges: Misbranded by false claims representing the product as effective for preventing and treating rundown conditions and for use in convalescing from colds, flu, and similar illness. The name of the product "Coldene Vitamin Tonic With Iron and label statement "therapeutic tonic" was misleading since the product was not adequate and effective as a vitamin tonic, and it contained only the Vitamin B grouping and methionine, and not vitamins in general.

Disposition: Decree of condemnation. Product destroyed April 26, 1962.

Products: Proten A Tablets and Powder, Proten V Tablets and Powder, Geriatric Liquid and Tablets

Shipper: Wm. T. Thompson Co., Los Angeles, Calif., and St. Louis, Mo.

Charges: Misbranded by false claims in accompanying labeling including placards, leaflets, bottle labels, and window display banners. Products and claims included:

Proten V and Proten A tablets and powder: Products are three and four times higher in protein content than meat (misleading since the products did not supply a significant amount of protein under the recommended directions for special dietary uses and since the products were compared with meat on a basis other than as such foods are consumed); products are a

low-calorie food and will supply significant amounts of energy for heavy physical workers and athletes and additional reserve for light physical workers, elderly people, and children. It was further claimed that the products were adequate and effective for developing athletes, weight reducing, supplying pep through increased protein intake, restoring those mentally and physically fatigued, making the user feel and look better, appeasing appetite, and building healthy bodies, and new tissue, promoting growth in children; repairing tissues after wasting illness; and supplying protein in instances of tissue wastage, anemia, bone atrophy, and edema.

Geriatric liquid and tablets: Special ingredients of the products are of significance for special dietary use; products provide digestive and nutritional factors to restore and maintain, at high levels, physiological processes which tend to slow down with aging; a digestive nutritional tonic and a therapeutic aperitif; a "Fountain of youth" formula; minerals are more effective in solid rather than liquid formulation; products are effective for treating and preventing premature aging, sickness, indigestion, poor appetite, fatigue, nervousness, irritability, low resistance to simple infections, frequent colds, pains and weakness in limbs, bleeding gums, headaches, listlessness, loss of weight, lack of energy, insomnia, dry, itching skin, and "old-age slowdown;" will restore useful normal lives and ability to keep up with younger people, will promote vigor, vitality, and a feeling of general well-being for people over 40; will cause users to be youthful appearing, vigorous, and healthy at 70.

Disposition: Consent decree of condemnation. Products destroyed, May 22, 1962.

Product: Alfa-Lite Alfalfa Tablets

Distributor: Pasco Products, Inc., Forest, Miss.

Charges: Misbranded by false claims in repack package labels and accompanying labeling that the product was effective for treating arthritis, rheumatism, sciatica, bursitis, body aches and pains, and joint swellings.

Disposition: Default decree. Products destroyed, March 8, 1962.

Product: Nutri-Plex Food Supplement

Dealer: Nutri-Foods and Products Co., Sarasota, Fla.

Charges: Misbranded by false and misleading claims in leaflets and lectures by Dr. Jonas E. Miller, owner of Nutri-Foods, that the product was effective for treating and preventing heart conditions, thrombosis, bleeding, nervous disorders, skin troubles, mental aberration, cretinism, cancer, poor teeth, flu, hardening of the arteries, strokes, stomach ulcers, and other conditions and diseases. The labeling failed to bear adequate directions for the recommended uses.

Disposition: Default decree. Products destroyed, August 13, 1962.

Product: Washburn's Special Dietary Foods

Shipper: L. Washburn, Inc., Boulder, Colo.

Charges: Misbranded by false and misleading claims on carton labels. Products and claims included:

Vitality Cereal: An unusual balance of body-building elements, vitamins, minerals, proteins, carbohydrates, and enzymes for promoting vitality; rich in biologically perfect protein.

Millet Meal Pancake and Muffin Mix with Sesame Seed: A protein mix containing complete cell-building proteins equal in food value to meat, non-fattening, the only grain containing all 10 essential amino acids; effective for lowering the cholesterol level of the blood.

Protein Cookie Mix and Protein Doughnut Mix: High in complete protein and nonfattening; effective for building energy without weight gain.

Fenugreek Tablets and Seed: Labeling failed to bear adequate directions for use in dissolving excess mucous, cleansing kidneys, gall bladder, liver and blood stream; cleansing, energizing the system; controlling weight; hastening healing of skin wounds and irritations; reducing fevers, treating inflamed mucous tissues in colds, diarrhea, and prostate infections, conditions for which the products were offered for sale.

Disposition: Consent decree. Products destroyed, May 21, 1962.

Product: Special 10 with Vitamin B-12, Geriatric Formula

Dealer: East Vitamin Products, Rochester, N.Y.

Charges: Misbranded by false and misleading statements in accompanying leaflets, order forms, and reprints that the products were effective for treating

and preventing loss of pep and vigor, premature aging, colds, heart disease, gastroenteritis, senile dementia, inflamed eyes, feebleness; for sound teeth, nerves, bones; and muscle tissue; and by additional claims that food supplies generally available and as consumed are incapable of meeting all requirements for essential vitamins, and that most people require vitamin supplementation for the normal diet.

Disposition: Consent decree to be relabeled. Dealer violated consent decree, bond forfeited, May 31, 1962.

Product: Nutri-Health Products (dietary supplements)

Dealer: World-Wide Nutri-Health, Inc., Pittsburgh, Pa.

Charges: Misbranded by false claims in accompanying labeling, including sales manuals and folders, film strips, and books, that the product was effective for treating and preventing cancer, heart attacks, mumps, measles, and chicken pox; for promoting youth virility, radiant health, sound eyesight, and keeping the user attractive until an old age; and that it would provide nutrients which would make the American diet equivalent to that of the long-lived people of the Hunza area in the Himalaya Mountains.

Disposition: Consent decree. Misbranding literature destroyed, vitamin and mineral tablets given to charity, March 28, 1962.

Product: Biplax B-12

Dealer: Daw Drug Co., Inc., Rochester, N.Y.

Repacker: Vitamin Capsules Corp., Buffalo, N.Y.

Charges: Misbranded by accompanying literature used to promote the product through false claims that it was effective for treating tiredness, rundown condition, and nervousness; building blood rapidly and its use resulted in feeling better, stronger, and more alive.

Disposition: Consent decree. Products relabeled, February 23, 1962.

Product: Numanna Nutritional Supplement (vitamins)

Dealer and repacker: Associated Nutritional Labs, Jefferson, Ill.

Charges: Misbranded by repack carton labels and accompanying leaflets which represented the product as significantly valuable for special dietary supplementation because of its protein and enzyme content; that it contained vitamins P and H and was scientifically balanced the natural way; that nutritional requirements of people over 40 years of age are different from adults generally; and that the product had special effect in conditions of extraordinary physical and mental stress.

Disposition: Consent decree. Product destroyed, March 30, 1962.

Product: Nutri-Bio Food Supplement Products

Dealer: Warren S. King, Grand Prairie, Tex.

Charge: Misbranded by false claims made in dealer's sales talk at a private home in which the products were represented as effective for treating and preventing asthma, heart conditions, overweight and underweight, enlarged heart, sore throat, colds, baldness, fatigue; for building up resistance to all kinds of diseases; and for preventing the loss of teeth.

Disposition: Default decree. Products destroyed, June 19, 1962.

Product: DePree Geriatric Capsules

Dealer and repacker: The DePree Co., Holland, Mich.

Charges: Misbranded by false claims in the repack label and accompanying promotional literature that the product was a complete balanced vitamin and mineral formula; and was effective for treating and preventing mental depression, common colds, low energy, conditions due to stress and strain, poor health, degenerative diseases, cardiovascular diseases, rheumatic disorders, gastrointestinal disturbances, loss of appetite, diabetic and varicose ulcers, improper clotting of the blood, heart muscle deterioration, dropsy, and retarded growth.

Disposition: Consent decree, February 16, 1962, products to be relabeled. Misbranding literature destroyed February 21, 1962.

Product: Hayden's Wheat Germ

Shipper: Kynamic Kernels Foundation, Inc., Tecumseh, Mich.

Charges: Misbranded by false claims in the label that the product was effective for treating neuritis and arthritis and for promoting regularity.

Disposition: Consent decree. Products relabeled, April 6, 1962.

Product: National Lecitabs Lecithin Tablets

Shipper: National Lecithin, Inc., Chicago, Ill.

Charges: Misbranded by false claims that the product was of significant value for special dietary supplementation because it contained lipotropic factors, cephalin, and linoleic and linolenic acids; and that it was effective for promoting utilization of fat, and for lowering blood cholesterol.

Disposition: Default decree. Products destroyed, April 20, 1962.

Product: Vitamin B-12, B-1; King's Elixir Vinivita

Shipper: E. W. Heun Co., St. Louis, Mo.

Charges: Misbranded by false and misleading claims in bottle labels that the products were effective for the following:

Vitamin B-12—B-1 for promoting appetite and growth in a child who does not eat adequately or well, as an adjunct in treating the chronically ill or undernourished child, as a nutritional supplement in chronic diarrhea and celiac diseases, for shortening convalescence through increasing the appetite.

Elixir Vinivita for treating or preventing chronic fatigue, poor appetite, and iron and vitamin deficiencies.

Disposition: Default decree. Products destroyed, February 13, 1962.

Product: Benson's Viritabs

Shipper: Benson Pharmacal Corp., Newark, N.J.

Charges: Misbranded by false claims on the bottle label that the product was effective for treating sexual impotence, lack of virility and vigor, weakening of sexual potency hypogonadism, benign prostatic hypertrophy; and for stimulating energy and rejuvenating youth.

Disposition: Default decree. Products destroyed January 10, 1962.

Product: Biotta Vegetable Juices

Dealer: Kahn and Lessin, Los Angeles, Calif.

Charges: Misbranded by false and misleading claims in accompanying reprints of magazine articles and posters which represented the products as effective for treating and preventing fatigue, chronic disturbances of the gastrointestinal tract, unspecified dermatoses, nervous, and overstrained conditions, anemia, improper blood pressure, rheumatism, cardiac conditions, and cancer. The labeling failed to bear adequate directions for the recommended uses.

Disposition: Default decree. Delivered to charity home, June 26, 1962.

Product: Over 40 vitamin and mineral tonic

Shipper: The Vitarine Co., Inc., New York, N.Y.

Dealer: Over 40 Health Products Co., Kansas City, Mo.

Charges: Misbranded by false claims in accompanying labels and accompanying leaflets that the product was effective for treating and preventing premature aging, weakness, tiredness, rundown condition, irregularity, digestive upset, irritability, half-alive feeling; building up the blood; and an additional claim that $\frac{3}{4}$ of the people are not getting the quality and quantity of food required to prevent vitamin and mineral shortages.

Disposition: Default decree. Product destroyed, July 19, 1962.

Product: Nutri-Bio Food Supplement Products

Shipper: Nutri-Bio Corp., Beverly Hills, Calif.

Dealers: Laura H. Nocero, Ben Schulz, and Ralph Tatro, all of Buffalo, N.Y.

Charges: Misbranded by false claims in accompanying promotional literature that products would cause the user to be alert, pleasant, calm, vibrant, feel well, and have a zest for living. They also bore false claims for promoting mental and physical health, happiness, sociability, enthusiasm, liveliness, vigor, awareness; and that they were of significant value for special dietary supplementation and therapeutic use because of the ingredients of unsaturated fatty acids, inositol, paraminobenzoic acid, rutin, biotin, bioflavonoid complex, hesperidin complex, choline, alfalfa, potassium, sulfur, copper, zinc manganese, magnesium and montmorillonite; and that everyone needs a food supplement. The products were further misbranded in that the labeling failed to bear adequate directions for use in treating and preventing hemorrhage of the eyes diabetes, high blood pressure, arthritis, and bursitis, for which they were offered in a sales talk at a private home.

Disposition: Products destroyed, May 28, 1962.

Products: Blake Vitamin and Mineral Tablets and Capsules

Shipper: L. Perrigo Co., Allegan, Mich.

Charges: Misbranded by false and misleading claims in the accompanying labeling booklet that the products were effective for treating and preventing colds, infections, pernicious anemia, faulty bone and tooth development, cramps in calf muscles, nervousness, heart trouble, insomnia, constipation, vaginitis, sore tongue, lack of appetite, difficulty in walking, cutaneous hemorrhages, muscle degeneration, stunted growth, susceptibility to infection, and enlargement of wrists, knees, and ankles.

Disposition: Consent decree. Articles relabeled, October 8, 1962.

Product: Hesperidin+C and Hesprin A-C Tablets

Dealer: Biopharmaceuticals, Inc., Warrenton, Oreg.

Charges: Misbranded by false claims in accompanying labeling that the products were effective for treating disease states having capillary involvement, respiratory infections, habitual abortion, rheumatic disease, gastrointestinal hemorrhage, arthritis, little strokes, duodenal ulcer, retinitis, and viral infections, and that they possessed greater anti-inflammatory capacity than cortisone and ACTH.

Disposition: Default decree. Articles destroyed, February 3, 1962.

Product: Biotta Vegetable Juices (Carrott, Beet, and Celery)

Dealer: Dorwin Cook, Seattle, Wash.

Charges: Misbranded by false claims in accompanying reprints and leaflets that the products were effective for treating and preventing fatigue, constipation, chronic disturbances of the gastrointestinal tract, unspecified dermatoses, nervous and overstrained conditions, obesity, liver and gall bladder conditions, anemia, improper blood pressure, rheumatism, cardiac conditions, and cancer. The labeling fails to bear adequate directions for use in treating these conditions.

Disposition: Default decree. Products distributed to charity, misbranding literature destroyed, February 7, 1962.

Product: Vegefruit

Dealer: Vitul Products Co., Lansing, Mich.

Charges: Misbranded by false claims in repack labels which contained statements representing the product as of special value for dietary supplementation by reason of the presence of 58 concentrated fortified vegetables, seaweeds, herbs, fruits, and other substances.

Disposition: Default decree. Product destroyed, September 9, 1962.

Product: C-V Fresh Vitamin C Tabs

Dealer: Vitamin Council, Inc., St. Paul, Minn.

Charges: Misbranded by false claims on label that the article was effective to build strong body cells and blood vessels; develop gums, teeth, and bones; relieve thirst, heal wounds; prevent heat prostration; promote the body's response to stress; and that the American diet is generally deficient in vitamin C.

Disposition: Consent decree. Articles relabeled on December 5, 1962.

Product: Safflower Oil with Vitamin B₆ Capsules

Shipper: Welton Laboratories, Inc., Newark, N.J.

Charges: Misbranded by false claims on label and carton label and on accompanying literature, namely "Diet Guide" booklets and wall banners that the article is significantly valuable for special dietary supplementation by reason of the presence therein of safflower; and that it is effective to reduce and to control weight, even though consuming thousands of calories daily without regard to the total caloric intake; and to lower cholesterol levels of the blood.

Disposition: Default decree. Articles and literature destroyed, September 29, 1962.

Product: Health Foods

Defendants: McCollum Laboratories, Inc., Hollywood, Calif., and Edward McCollum and Florence McCollum.

Charge: Inadequate directions for treatment of serious disease for which the products were recommended in talks given by Florence McCollum in Cleveland, Ohio, and in Philadelphia, Pa.

Disposition: Guilty plea. Defendants fined a total of \$500, February 20, 1962.

Product: Nutri-Bio Food Supplement Products

Dealers: Sherwood J. Gillespy, distributor, and Frank B. Wiggs, sales agent, Atlanta, Ga.

Charges: Misbranded in that the labeling failed to bear adequate directions for use in the treatment and prevention of alcoholism, stomach ulcers, cancer, arthritis in the spine, tiredness, gray hair, gout, overweight and underweight and imbalance, for which the products were offered in oral statements made by Wiggs in a sales talk in a private home.

Disposition: Default decree. Released to FDA for exhibit purposes, December 6, 1962.

Product: Nutri-Bio Food Supplements and Nutri-Bio Protein Mix

Shipper: Nutri-Bio Corp., Beverly Hills, Calif.

Dealers: Marvin A. Minzel, Alf Kvinge, and Mary Krause, salesmen, all from Seattle, Wash.

Charges: Misbranded by false and misleading claims in promotional material including salesmen's kit, leaflets, and carton and bottle labels, and by oral claims of the salesmen that the products were effective for treating and preventing loss of appetite, constipation, hemorrhage of mucous membranes, palpitation of the heart, nervousness, dental caries, anemia, colds, flu, arthritis, heart disease; for rebuilding tissues broken down by cancer; and for preventing cancer's spread.

Disposition: Default decree. Products destroyed, May 31, 1962.

Products: Menzyme, Femzyme, Penezyme, Homale Dietary Supplements

Dealer: Central Drug Co., Portland, Oreg.

Charge: Misbranded by false claims in accompanying reprints and bottle labels that the products were effective for treating and preventing cancer, high blood pressure, diabetes, leukemia; dissolving blood clots; building muscles; and staying the aging process. Homale was further misbranded by false and misleading claims that it was of significant value for special dietary supplementation by reason of the presence of proteolytic enzyme, glycine, alanine, glutamic acid, stomach substance, liver substance, methionine. Menzyme, Femzyme, and Penezyme were falsely claimed to be of value because they contained enzyme X, amylolytic, proteolytic, and cellulolytic enzymes.

Disposition: Consent decree. Products relabeled, August 2, 1962.

Products: Nutri-Bio Food Supplements

Shipper: Nutri-Bio Corp., Beverly Hills, Calif.

Dealer: Penny Hostetter, saleswoman, Corvallis, Oreg.

Charge: Misbranded by false claims in accompanying labeling prepared by the shipper and dealer that the products were effective for treating and preventing constipation, hemorrhage of mucous membrane, palpitation of the heart, nervousness, excessive bleeding, rundown feeling, toxic elements in the digestive system, polio, allergies, mumps, colds, colitis, corneal ulcers, boils, carbuncles, muscular dystrophy, eye infections, cancer, degenerative conditions, alcoholism, rheumatism, and many other diseases and conditions.

Disposition: Default decree. Products destroyed, September 14, 1962.

Product: Nutri-Bio Food Supplement Products

Dealer: T & G Enterprises, and Anchor Serum Co., both of Charlotte, N.C.

Charges: Misbranded in that the labeling fails to bear adequate directions for use in the treatment and prevention of cancer, diabetes, gray hair, and incurable diseases, 75 percent of all diseases, arthritis, tooth decay, and for prolonging life 10 to 20 years, for which the products were offered in a sales talk by dealer in a private home.

Disposition: Default decree. Some products delivered to FDA for exhibit purposes, the rest destroyed, February 1, 1962.

Product: Ketovite Dietary Supplement (made from liver and other meats, vitamins, and minerals from food sources)

Dealer: Professional Foods, Kansas City, Kans.

Charges: Misbranded by false and misleading label statements that the product was significant in value for special dietary supplementation because of the liver, enzymes, protein, and other ingredients it was purported to contain.

Disposition: Default decree. Products given to charity, August 23, 1962.

Product: DePree Pan A-C Capsules (vitamins A and C, and pantothenic acid)

Shipper: The De Pree Co., Holland, Mich.

Charges: Misbranded by false label claims that the product was an effective nutritional supplement for treating severe burns and extensive sunburn, allergic conditions, hay fever, ivy poisoning, contact dermatitis, urticaria, hives, inflammation, and injury; and for treating metabolic disorders, severe or prolonged pain, physical exhaustion, emotional distress, conditions requiring or due to surgery, and during therapy with ACTH, cortisone, and related hormones.

Disposition: Default decree. Products destroyed, June 11, 1962.

Product: Lucerne Water Extract of Alfalfa

Shipper: Lucerne Laboratories of Utah, American Fork, Utah.

Charges: Misbranded by false claims in accompanying leaflets that the product was the richest source of valuable minerals and that it was effective for treating and preventing tiredness and promoting the proper functioning of the nervous system.

Disposition: Default decree. Products destroyed, February 19, 1962.

Product: Kelpettes

Dealer: Nelson's Natural Foods, Hobart, Ind.

Charges: Misbranded by false and misleading claims in label and accompanying leaflets which represented the product as unusually beneficial for special dietary supplementation; that the product could be consumed with safety in any amount; that the ordinary individual requires daily food supplementation; that the product was effective for treating and preventing cirrhosis of the liver, dizziness, lack of coordination, thyroid conditions, overweight and underweight, tiredness, rundown feeling, and for promoting health, vigor, and long life.

Disposition: Consent decree January 24, 1962, products were to be relabeled; however, the claimant violated the conditions of the decree, and the bond was forfeited, October 31, 1962.

Product: Viritabs (drug and vitamin combination)

Shipper: Benson Pharmacal Corp., Newark, N.J.

Charges: Misbranded by false claims that the article was effective for the treatment of sexual impotence; lack of virility and vigor; weakening of sexual potency; hypogonadism; benign prostatic hypertrophy; and to stimulate energy and rejuvenate youth; and since it was a prescription drug and its label failed to bear the statement "Caution—Federal law prohibits dispensing without a prescription."

Disposition: Default decree. Destroyed January 10, 1962.

Product: Natural Tablets

Dealer: Ruth Pfahler, Decatur, Ill.

Charges: Misbranded by false claims on label and in accompanying leaflets and circulars, that the article was effective for the treatment of constipation; hypomotility resulting from fiber deficiency; ulcers; for faster weight reduction; to promote peristalsis and regularity; and that it was of significant value for everyone with a heart condition and on a diet.

Disposition: Default decree. Literature and goods destroyed July 27, 1962.

Product: Kneipp Herb Teas

Dealer: Alfred L. Ettlinger, Inc., New York, N.Y.

Charges: Misbranding by false claims in accompanying leaflet that articles were effective for diseases of the nerves, kidney, bladder, liver, gall bladder, arteries, heart, circulatory system, and stomach; rheumatism, insomnia, colds, and flu, asthma, hemorrhoids; reducing body weight, purifying the blood, promoting health and appetite, and controlling the uric acid in the body.

Disposition: Consent decree. Accompanying leaflets destroyed April 24, 1962; new labels applied and articles repacked into new cartons.

Product: "Lucerne" Extract of Alfalfa

Shipper: Lucerne Laboratories of Utah, American Fork, Utah.

Charges: Misbranded by false claims in accompanying labeling that the article was the richest source of valuable minerals; that it was effective for the treatment and prevention of tiredness; and to promote proper functioning of the nervous system.

Disposition: Literature and goods destroyed February 19, 1962.

Product: "Menzyme" and various other Drug and Vitamin preparations

Dealer: Central Drug Co., Portland, Oreg.

Charges: Misbranded by false statements in label and accompanying magazine article reprints and placards as follows:

Menzyme, Femzyme, Penezyme, and Homale: That the articles were of significant value for special dietary supplementation by reason of their content of proteolytic enzyme, glycine, alanine, glutamic acid, stomach substance, liver substance, and methionine (Homale), enzyme-containing amylolytic, proteolytic, and cellulolytic enzymes (menzyme, femzyme, penezyme) and that the articles were effective for the treatment and prevention of cancer; high blood pressure; diabetes and leukemia, and to dissolve blood clots; build muscles and to stay the aging process.

Prostaid: That the article was effective for the treatment of the diseases and enlargement of the prostate gland.

Gestran: That the article was effective for the treatment of stomach distress due to hypermotility.

Disposition: Consent decree. Magazine article reprints and placards destroyed and goods relabeled August 2, 1962.

Product: Red Rooster Pills (Drug and Vitamin Combination)

Shipper: Manhattan Drug Co., Brooklyn, N.Y.

Charges: Misbranded by false claims on label and accompanying window streamers that the article was effective as a stimulant and tonic, to cause get up and go; and as a hematonic and bitter tonic for use in iron deficiency anemia.

Disposition: Default decree. Bulk and repacked goods and window streamers destroyed January 13, 1962.

Products Nutri-Plex Food Supplements (Nutri-Plex E, Nutri-Plex C-1, Nutri-Plex A, Nutri-Plex F)

Dealer: Nutri-Foods & Products Co., Sarasota, Fla.

Charges: Misbranded by false claims in accompanying literature that the articles were effective for the treatment and prevention of heart conditions; thrombitis; bleeding; nervous disorders; poor digestion; skin troubles; mental aberrations; anemia; cretinism; unregulated cholesterol and fatty deposits in blood vessels; and since their labeling failed to bear adequate directions for use in the treatment and prevention of heart conditions; premature death; improper growth; cancer; poor teeth; flu and other conditions due to bacteria, viruses, and germs; arthritis; rheumatism; aches and pains; gland trouble; nosebleed; hardening of the arteries; stomach ulcers; insomnia; and strokes for which they were prescribed, recommended, and suggested in oral statements made by the owner of the dealer firm during a public lecture given at the dealer's place of business.

Disposition: Default decree. Articles and literature destroyed August 13, 1962.

Product: Hyperchol Tablets (Vitamins and Safflower Oil)

Dealer: Gramse Products Co., North Muskegon, Mich.

Charges: Misbranded by false claims on the label and accompanying leaflet that the article was effective to protect the heart, promote fat utilization; maintain proper cholesterol levels and circulatory efficiency; prevent heart attacks, strokes, and circulatory troubles; and to promote health and longevity.

Disposition: Default decree. Goods and leaflets destroyed June 18, 1962.

Product: "Ritran" Dietary Supplement

Dealer: Noble Massey Co., Memphis, Tenn.

Charges: Misbranded by false claims in accompanying labeling (physician's detail card) that the article was effective for tension headache; neuralgia; neurasthenic syndromes; as adjunctive therapy for relief of pain associated with certain peripheral vascular disturbances; chronic osteoarthritis; and for bursitis and fasciitis.

Disposition: Consent decree. Article relabeled on November 27, 1962.

Product: Miscellaneous Food Supplements

Dealer: Tri-County Organic Cooperative, Denver, Colo.

Charges: Misbranded by false claims, in accompanying leaflets and pamphlets, as follows:

Alfacon and Alfalfa Tablets: That the articles were effective for the treatment and prevention of aching joints; swelling; stiffness; backache, arthritic and rheumatic-like conditions; hypertrophic arthritis; sciatica, rheumatoid arthritis; and fatigue.

Lecithin Granules: That the article was effective for the treatment and prevention of arthritis; hardening of the arteries; high blood pressure; rheumatic pains; coronary thrombosis; and to control the cholesterol level of the blood.

Comfrey Root Herb Tea: That the article was effective for the treatment of asthma; insomnia; eczema and other skin troubles; digestive disorders; rheumatic complaints; boils; varicose ulcers; to promote health; and to promote bone healing.

Disposition: Default decree. Goods, leaflets, and pamphlets destroyed January 9, 1962.

Product: *"Biotta" Vegetable Juices (Carrot and Beet)*

Shipper: Dorwin Cook, Seattle, Wash.

Charges: Misbranded by false claims in accompanying labeling; namely magazine article reprints that the articles were effective for the treatment and prevention of fatigue; obstipation; chronic disturbances of the gastrointestinal tract; unspecified dermatosis; nervous and overstrained conditions; obesity; liver and gall bladder conditions; anemia; improper blood pressure; rheumatism; cardiac conditions and cancer; and since the labeling failed to bear adequate directions for use in the treatment and prevention of those conditions.

Disposition: Default decree. Magazine article reprints destroyed and article delivered for use by charitable institution on June 26, 1962.

Product: *"Biotta" Vegetable Juices (Carrot and Beet)*

Shipper: Dorwin Cook, Seattle, Wash.

Charges: Misbranded by false claims in accompanying labeling; namely magazine article reprints that the articles were effective for the treatment and prevention of fatigue; obstipation; chronic disturbances of the gastrointestinal tract; unspecified dermatosis; nervous and overstrained conditions; obesity; liver and gall bladder conditions; anemia; improper blood pressure; rheumatism; cardiac conditions and cancer; and since the labeling failed to bear adequate directions for use in the treatment and prevention of those conditions.

Disposition: Default decree. Magazine reprints destroyed February 7, 1962. Article delivered to Federal prison February 15, 1962, for use by inmates.

Product: *CDC (Reducing Capsules)*

Shipper: Cove Vitamin & Pharmaceutical Inc., Glen Cove, N.Y.

Charges: Misbranded by false claims in accompanying literature, namely a book entitled "Calories Don't Count," by Dr. Herman Taller, and package inserts that the article was effective to control body weight; to reduce and maintain slinness even while consuming many thousands of calories daily; to lower and control the cholesterol level of the blood; for the treatment of arteriosclerosis and heart burn; to improve the complexion; to increase resistance to colds and sinus trouble; to promote health; and to increase sexual drive.

Disposition: Default decree. Article and package inserts destroyed July 12, 1962. The book "Calories Don't Count" was not destroyed.

Product: *Elixir Vinivita*

Shipper: E. W. Heun Co., St. Louis, Mo.

Charges: Misbranded by false claims that the article was effective for the treatment and prevention of chronic fatigue, poor appetite, and iron and vitamin deficiencies, and since it is an article which could have been sold without prescription although its label bore the statement "Caution: Federal law prohibits dispensing without prescription."

Disposition: Default decree. Destroyed February 13, 1962.

Product: *"Sea-Con" Concentrated Ocean Water*

Shipper: Sea-Con, Inc., Columbia, S.C.

Charges: Misbranded by false claims that the article was of significant value for therapeutic use by reason of its content of 44 trace elements; and that it was adequate and effective to prolong life; prevent premature aging; and to promote health; and by its label's failure to bear adequate warnings against its misuse when abdominal pain, nausea, or vomiting were present, and that its frequent use may have resulted in dependence on laxative, since the article was labeled for use as a laxative.

Disposition: Default decree. Destroyed February 5, 1962 (except 24 bottles retained for exhibit purposes by FDA).

Product: Cholester-Sol Tablets (Vitamins, Liver, and unsaturated fatty acids)

Dealer: Merit Pharmaceutical Co., Houston, Tex.

Charges: Misbranded by false claims in accompanying filecards that the article was adequate and effective for the control of hypercholesterolemia and atherosclerosis; to reverse fatty infiltration of the liver and to prevent hepatic cell destruction; stimulate regeneration of new liver cells and generally improve liver functions; increase protein utilization (make animal protein of cereal protein); for the treatment of cirrhosis of the liver, jaundice, alcoholism, obesity, coronary disease, and as an adjunct therapy in diabetes.

Disposition: Consent decree. Filecards, loose labels, bulk, and repack goods destroyed May 9, 1962.

Product: Herb Tablets

Dealer: Nu Vita Foods, Portland, Oreg.

Charges: Misbranded by false claims in accompanying catalog, order blank, and price list that the articles were an adequate and effective treatment for all liver and gallbladder conditions; high blood pressure; to tone, cleanse, and nourish the liver, kidneys, stomach, and bowels; act as an astringent healer; purify the bloodstream; act as an aid to indigestion; subdue inflammation; strengthen and cleanse gallbladder; give natural mineral to the body; increase the flow of glandular secretions; aid glandular function; benefit dropsy; be an adequate and effective treatment for diabetes; reduce blood sugar count, reduce albumin in urine; feed pancreatic glands; clean and stimulate mucous membranes to a healthy active condition; allow for free flow of glandular secretion; cleanse and clear urinary channel; be an adequate and effective treatment for heart conditions; strengthen and aid heart function; assist in regulating rapid and feeble heart action, and valvular insufficiency and heart oppressions; remove accumulations of mucus; reduce hypertension; relieve nervous strain; relieve nerve spasm due to excess acid in the bloodstream; were an adequate and effective treatment for rheumatism, gout, ringworm; antidote for poison from inflammation, colds, catarrh, and fever; for bleeding and hemorrhages of lungs; for hysterical and nervous conditions; and for eruptive diseases, running ears, itch, and ulcerations.

Disposition: Consent decree. Relabeling proposal not satisfactory. Accompanying literature and goods destroyed November 8, 1961.

Product: Pluraxin High Potency Multiple Vitamin Capsules

Shipper: Winthrop Laboratories, Dallas, Tex.

Charges: Misbranded by false label claims that the article was the "Therapeutic Stress Formula" and the "Formula of the Food and Nutrition Brand National Research Council, Plus Vitamins A and D."

Disposition: Default decree. Destroyed November 7, 1961.

Product: Cider Vinegar

Shipper: Sterling Cider Co., Inc., Sterling, Mass.

Charges: Misbranded by false claims in accompanying leaflet that the article was adequate and effective for the treatment and prevention of cough; chronic bronchitis; serious lung infections; bronchiectasis; resistant infections due to *Pseudomonas aeruginosa*; cavities in lungs; ear infections and underweight conditions.

Disposition: Decree of condemnation July 13, 1961. Articles returned to dealer by the court order after the distributor signed an affidavit of destruction of the leaflets and certification that the goods were no longer accompanied by any literature, books, pamphlets, leaflets, or advertising matter.

Product: Benson Altocaps Capsules (Vitamin and Drug Combination)

Shipper: Benson Pharmacal Co., New York, N.Y.

Charges: Misbranded by false claims on the label that the article was adequate and effective as a treatment for habitual abortion, ovarian failure, muscular dystrophies, and amyotrophic lateral sclerosis.

Disposition: Default decree. Goods destroyed August 1, 1961.

Product: Cobasal Tablets

Shipper: Brewer & Co., Inc., Worcester, Mass.

Charges: Misbranded by false claims in the labeling, namely a leaflet entitled "Cobasal," that the article was effective for the treatment of neuritis; pruritis; pruritis due to penicillin sensitivity, chronic venous insufficiency; renal and gallbladder colics; pneumonia; meningeal inflammation; cholelithiasis; iritis

and herpes; and to promote growth and body development; and since the labeling failed to bear adequate directions for use including relevant hazards, contraindications, side effects, and precautions under which practitioners licensed by law to administer the drug could have used it safely and for the purposes for which it was intended.

Disposition: Default decree. Leaflets and product destroyed January 10, 1962.

Product: Cobaden Tablets

Shipper: Taylor Pharmacal Co., Decatur, Ill.

Charge: Misbranded by false claims in the carton inserts that represented the article as effective for the treatment of bursitis; osteoarthritis; pruritis ani, vulvae, and scroti; pruritis associated with penicillin reaction; and chronic venous insufficiency.

Disposition: Default decree. Inserts and product destroyed January 10, 1962.

Product: "Sea-Con" Concentrated Ocean Water

Shipper: Sea-Con, Inc., Columbia, S.C.

Charges: Misbranded by false claims on the bottle and carton labels that the article possessed special properties for therapeutic and dietary supplementation to "add life to years" and "add years to life"; that it contained 44 water soluble trace elements beneficial to the user; and that the statement "not intended as a substitute for professionally prescribed medication" implied that the product had certain medical properties.

Disposition: Default decree. The article was destroyed October 19, 1962.

Product: Coach Aid Products

Shipper: Health Research, Inc., Little Rock, Ark.

Charges: Misbranded by false claims on labels as follows:

"Coach Aid Stim-O-Stam" Tablets: That the article was effective for adding physical endurance; lessening muscle soreness; improving physical efficiency; and aiding in preventing fatigue.

"Coach Aid Special Tablets: That the article was effective to improve resistance to bruising and bleeding; improve capillary resistance; overcome normal capillary permeability and fragility; prevent bleeding; strengthen capillary walls; reduce healing time and severity of bruises; improve formation of connected tissue and red blood cells; promote absorption of iron from foods; and promote resistance to the common cold and virus, and respiratory infections.

Disposition: Default decree. Articles destroyed November 13, 1961.

Product: Coach Aid Products

Shipper: Health Research Inc., Little Rock, Ark.

Charges: Misbranded by false claims on label as follows:

"Coach Aid Stim-O-Stam" Tablets: That the article was effective for adding physical endurance; lessening muscle soreness; improving physical efficiency; and aiding in preventing fatigue.

"Coach Aid Special" Tablets: That the article was adequate and effective to improve resistance to bruising and bleeding; improve capillary resistance; overcome normal capillary permeability and fragility; prevent bleeding; and strengthen capillary walls; reduce healing time and severity of bruises; improve formation of connected tissue and red blood cells; promote absorption of iron from food; and promote resistance to the common cold and virus, and respiratory infection.

Disposition: Default decree. Articles destroyed December 13, 1961.

Product: "Admiral" Sea Salt

Shipper: United Salt Corp., Houston, Tex.

Charges: Misbranded by false claims in labeling, namely a booklet entitled "The Ocean's 44 Trace Chemicals," that the article was effective in the treatment or prevention of cancer; diabetes; multiple sclerosis; myasthenia gravis; muscular dystrophy; epilepsy; asthma; arthritis; insanity; deficiency ailments; allergies; Parkinson's disease; arteriosclerosis; schizophrenia; cataract; cirrhosis; leukemia; pernicious anemia; psoriasis; dental caries; baldness; sterility; goiter; acne; and grey hair; and that the article was a chemical smorgasbord supplying significant amount of minerals necessary for body glands and organs to provide good health that it would rejuvenate endocrine glands; reactivate pigment cells in the skin; act as a vaccine against so-called de-

iciency diseases; that it was beneficial for growth; lactation and reproduction; that it was a complete and balanced salt supplying significant amounts of all trace minerals and essential minerals for special dietary and therapeutic purposes; that all of the trace minerals had been established as essential and important to good health; and that foods as consumed lacked all of these trace minerals.

Disposition: Default decree. Booklets destroyed October 20, 1961 and article diverted for use to aid in removal of snow and ice.

Product: "Sea Brine" Concentrated Sea Water

Shipper: Florida Sea Brine Laboratories, Lakeland, Fla.

Charges: Misbranded by false claims in labeling; namely leaflets, window streamers, counter display cards and posters that the article was effective in the treatment of cancer; diabetes; multiple sclerosis; leukemia; myasthenia gravis; Parkinson's Disease; arthritis; goiter; deficiency ailments; sterility; dental caries; ailments and infections of the eye; hangover; gray hair; and baldness; that it provided for rejuvenation; prolongation of youth; improvement of mental health, was effective in providing for proper functioning of body glands and organs; and that it contained significant amounts of essential minerals necessary to health not found in ordinary foods.

Disposition: Default decree. Articles and literature (leaflets, streamers, cards and posters) destroyed June 2, 1961.

Product: "Sea Brine" Concentrated Sea Water

Shipper: Florida Sea Brine Laboratories, Inc., Lakeland, Fla.

Charges: Misbranded by false claims in that the label statement "Natures Own 44 Chemicals of the Sea" suggested in the manner of display on the label, that the article was a complete and balanced salt supplying chemicals found only in sea water which are important to good health and which have a therapeutic value; and since the labeling fails to bear adequate directions for use for the conditions intended.

Disposition: Default decree. Articles destroyed July 28, 1961.

Product: "Sea-Min" Sea Water Concentrate

Shipper: Sea-Min Co., Grove City, Ohio.

Charges: Misbranded by false claims on the label that the article contained nutritionally significant amounts of essential minerals; and that all of the elements it contained were necessary for health.

Disposition: Default decree. Articles destroyed June 21, 1961.

Product: Hoffman's Hi-Proteen Dietary Foods

Shipper: York-Barbell, York, Pa.

Charges: Misbranded by false claims on carton labels, in accompanying leaflets and hard-cover books written by Robert "Bob" Hoffman. Products and claims included:

Ten-In-One Powder: Containing soya powder, for prolonging life up to 30 years; preventing and treating loss of appetite, inefficient digestion, assimilation and elimination, functional heart disease, and bodily ills; for building strength and endurance; and for helping user to gain or lose weight.

Protein From the Sea Powder: Containing a blend of fish proteins and sea vegetation, for treating and preventing malnutrition; building, maintaining, and repairing the body; promoting super health and well-being, an extraordinary physique, a vigorous mind, perfect teeth, endurance, youthful vitality, long life, and handsomeness.

Super Hi-Proteen Powder: Containing soy bean, casein of milk, and white of egg, for treating and preventing scrawny necks, and sunken, sagging wrinkled faces; for promoting growth in children, for body maintenance and repair, for healing wounds, and for producing larger heavier, stronger, healthier babies.

Brewer's Yeast: For promoting a good appetite, normal digestion, growth, fertility, lactation, and normal blood clotting; for building and strengthening the bones and teeth, and regulating the heart beat; for maintaining muscle tone; and for treating and preventing nervous conditions, skin diseases, muscular weakness, eye troubles, dementia, and insanity.

Super Gain Weight Tablets: Containing a liver, iron, vitamin combination, for treating and preventing lack of endurance, washed out feelings, lack of strength; and for gaining weight, building the body, and increasing growth.

Special Gain Weight Powder: Containing gelatin, peanut flour, cotton seed protein, wheat germ, lecithin, egg albumen, dried milk solids, caseinate of milk, and soya powder, for treating and preventing underweight condition, deficiency diseases generally, thin, scrawny bodies, lack of reserve against sickness or physical emergency; and for strengthening muscles, and developing athletes.

Energol: A blend of wheat germ oil, soy oil, and rice germ oil, for producing athletes, promoting growth in children; and for providing unusual energy for hard working men and women; for treating and preventing cholesterol deposits of the blood, arteriosclerosis, eczema, high blood pressure, heart and arterial diseases, cirrhosis of the liver, hemorrhages of the kidneys, stomach ulcers, rheumatic carditis, anemia, and metabolic disturbances of the skin.

Super C Complex Tablets: For treating and preventing decreased heart activity, brittle bones, colds, improper healing of wounds, poor teeth, loss of elasticity of blood vessels, stiff, sore joints, swollen and bleeding gums, gingivitis, stomach ulcers, rheumatic fever, pulmonary tuberculosis, diphtheria, and pneumonia.

Hi-Proteen Cookies: For building strong muscles, an athletic physique, and rich blood; melting away fat deposits; and for normalizing the body, and gaining or losing weight.

Gain Weight Hi-Proteen Tablets: For building nerve muscles, and tissues, strength, and the strong physique of an athletic champion, and for gaining weight and growing rapidly.

Super Hi-Proteen Tablets: For promoting growth in children, energy, healthy tissue, rich, red blood, muscles, and strength in hard-working individuals, athletes, and older people.

Hi-Proteen Food of Champions Tablets: In chocolate, vanilla, and plain flavors for satisfying the appetite, unusual energy, more endurance, overcoming physical and mental fatigue, sleepiness, or letdown feeling.

Hi-Proteen Instant Powder: For producing super health and providing unusual amounts of energy; living longer, happily, and successfully; for relaxing, sound useful sleep, satisfying the appetite, and refreshing the body and mind.

Hi-Proteen Honey Fudge: For preventing disturbances resembling those caused by other pathogenic agents, and building a strong, well-developed body.

Physical Fitness Special: For building an expectancy of life 10-20-30 years longer; gaining or losing weight; and treating and preventing anemia, cirrhosis of the liver, stomach ulcers, rheumatic carditis, kidney disorders, psoriasis, and many other diseases and conditions.

Disposition: Partial decree of condemnation, November 8, 1961, providing for relabeling of some products. Products inadvertently destroyed. Order of dismissal of seizure, August 15, 1962.

CRIMINAL PROSECUTIONS TERMINATED

Product: Various Health Foods

Defendants: Nature Food Centres, Inc., Cambridge, Mass., and Henry K. Rosenberger, president and treasurer and Andrew G. Rosenberger.

Charge: Inadequate directions for use in conditions ranging from thrombosis through diabetes, impotency and skin blemishes, for which the products were recommended in talks given by Andrew Rosenberger in Philadelphia, Pa., and in Chicago, Ill.

Disposition: Not guilty plea. All defendants found guilty and sentenced as follows: \$10,000 fine on the corporation; \$5,000 fine and 6 months in jail on Henry K. Rosenberger; \$5,000 fine and 6 months in jail on Andrew G. Rosenberger. The jail sentences were suspended and each individual was placed on probation for two years, June 8, 1962.

Product: Various Vitamin Products and Proprietary Remedies

Defendants: Royal Lee, Vitamin Products Co., Lee Foundation for Nutritional Research, Endocardiograph Co., Inc.; Leeland, Inc., all of Milwaukee, Wis.

Charge: Misbranding of over 115 special dietary products by false claims for treating over 500 diseases and conditions.

Disposition: Nolo contendere. Vitamin Products Co., fined \$7,000, Royal Lee placed on 3 years (1 year imprisonment suspended), April 23, 1962. All

defendants enjoined by consent decree from interstate shipment of misbranded vitamins and proprietary remedies, and prohibited to claim that the products are of value for cancer, arteriosclerosis, or that they are necessary adjuncts to the diet, January 15, 1962.

Product: Calcium Tablets and 5 Other Vitamin, Mineral, and Drug Preparations

Defendant: William L. Abt, Detroit, Mich.

Charges: Misbranded by false claims made in oral statements by the defendant during a series of lectures in a Detroit hotel and by accompanying literature, namely a book entitled "The Key to Good Health and Longevity" written by the defendant; the articles failed to bear adequate directions for use for the treatment and prevention of diseases and conditions as follows:

Calcium from egg shells: Improper growth of bones; improper functioning of bone marrow, bones, thyroid and parathyroid glands; improper pH of the blood; longevity; and for lack of strength and firmness of the arteries.

Soy-Hi protein: Poor health; shortened life; ulcers; cancer; poisons and infections of the body; sterility; improper growth and regeneration of hemoglobin; and for liver and gall bladder conditions.

Vegetable seasoning: Hardening of the arteries; arthritis; and for poor eyesight and hearing.

Herb laxative tablets: Piles; hemorrhoids; abnormal functioning of veins; bad breath; tumors; gall bladder conditions; pathological functioning of organs of the body; aches and pains; improper eyesight, and for poor memory.

Vitamin E capsules: Poor health; liver and gall bladder conditions; male impotency; heart failure; aging skin; and kidney conditions.

Vitamin A capsules: Cataracts; hardness of hearing, blood vessels breaking in the brain; ulceration; constipation, and glaucoma.

Disposition: Plea of not guilty, March 14, 1962. Guilty count 1, September 24, 1962. Sentence of 1 year suspended, placed on probation for 2 years and fined \$1,000 on December 21, 1962.

INJUNCTIONS FILED

Product: "Formula B-13" ulcer tablets

Defendant: Emmett F. Stockton, doing business as Stockton Laboratories & Co. and Wise Laboratories & Co., Albuquerque, N. Mex.

Charges: Misbranded by false claims on label that the article is effective in the treatment of duodenal and gastric ulcers.

Disposition: Consent decree of permanent injunction granted, December 1, 1961.

Product: All-Vite Tabs and 47 Miscellaneous Other Vitamin-Mineral and Drug Preparations

Defendants: General Nutrition Corp.; Nutrition Square, Inc.; Lackzoom, Co., Inc.; Nato Labs, Inc.; Stylex, Inc.; Modern Foods, Inc.; Natural Sales Co.; and Vitamin Sales Co., all of Pittsburgh, Pa.

Charges: Charges included misbranding by false claims in labels and accompanying literature for growth promotion, fatigue, nervous tension, proper tooth and bone development, strong fingernails, repair of body tissue and for a variety of other physical complaints and disease conditions; representation of the articles as "High Potency," "Geriatric Formula, or Balanced Formula"; label failure to bear information required by the special dietary food regulations; label bearing false or erroneous special dietary food information; inconspicuous printing on labels; and adulteration with unsafe food additives.

Disposition: Consent decree of permanent injunction granted, October 9, 1961.

Product: "Jenasol" Royal Jelly Capsules

Defendant: Marvin Schere and the Jenasol Co., Brooklyn, N.Y.

Charges: Misbranded by false claims in accompanying labeling that the article was an effective treatment for increasing sexual vitality; for irritability, headaches, insomnia, physical and spiritual convulsions, depression; restoring vitality; alleviating ills of old age; improving memory; stimulating the appetite; normalizing growth of underdeveloped children; extension of human life; digestive disturbances; activating glands of the body; physical and mental symptoms of approaching old age; tired eyes; and that it was a "Natural Super Tonic" which produced "a pleasing state of relaxed well-being."

Disposition: Court order executed, February 21, 1962, enjoining the defendants from misbranding the article by claims similar to the above on accompanying literature. The court declined to enjoin the defendants from making similar claims in their advertising.

Enforcement actions involving therapeutic devices, July 1, 1961, through December 31, 1962

PRODUCTS SEIZED UNDER COURT ORDER (CLOSED CASES)

Device: Violet Ray Generator (sold OTC)

A black grain leatherette case, containing a control panel, three electrodes, and a plastic tubular-shaped applicator connected to the control panel by an electric cord. The three electrodes, made of metal and glass, are in the shape of a tube, bulb, and rake, which plug into the ends of the applicator.

Shipper: Renulife Electric Co., Ferndale, Mich.

Dealer: New Life, Inc., Sandusky, Ohio.

Action and charges: Seizure. False and misleading claims for arthritis, bursitis, dandruff, eczema, rheumatism, acne, nervous conditions, neuralgia, neuritis, sciatica, and poor circulation; and that the article functions as an aid to nature in performing various bodily responsibilities.

Disposition: Consent decree, November 14, 1961. Device turned over to the Food and Drug Administration.

Devices: Glass Electrode Applicators (sold OTC)

An assortment of sealed glass tubes of various sizes and shapes with a metal cap attached at one end. Some of the electrodes contain internal rods, wires, or disks.

Dealer: Renulife Electric Co., Ferndale, Mich.

Action and charge: Seizure. False and misleading claims which suggest that the articles are adequate and effective as a treatment for relieving fallen hair; dandruff; tonsillitis; goiter; prostate trouble; spinal conditions; eye, ear, and nose condition; deafness; vaginal inflammation; and for removing blemishes, scars, and warts.

Disposition: Condemned by court order. Samples delivered to the Food and Drug Administration, November 21, 1961; remainder of electrodes destroyed.

Device: Juice Vegetable and Fruit Juice Extractor (sold OTC)

Shipper: Drachenberg Products Manufacturing Co., Detroit, Mich.

Dealer: Southern Juicer Co., Kenner, La.

Action and charge: Seizure. Device was promoted with claims that it is effective as a health aid in that its use will provide vegetable juices which are beneficial to health where other healing methods fail, thus relieving suffering and despair of illness; that the device is of medical significance because it "is recommended by many doctors for results"; that the device is beneficial "when you get sick of getting sick"; that "raw fresh vegetable juices are full of health-sustaining nutrients, whereas cooked foods are dead foods," thus the device, when it is used to extract raw vegetable juices, serves as a health aid in the treatment of diabetes, arthritis, heart conditions, bladder tumors, eye trouble, leukemia, brain tumors, botulism, epilepsy, Hodgkins' disease, and many others.

Disposition: Consent decree of condemnation. Labeling literature destroyed, devices given back to dealer, December 5, 1961.

Device: Super Health Magnetic Bracelet (sold OTC)

Shipper: Patricia Watch Band Co., New York, N.Y.

Action and charge: Seizure. False and misleading labeling claims for arthritis, rheumatism, sexual impotency and high and low blood pressure.

Disposition: Default decree. Some bracelets turned over to the Food and Drug Administration; others destroyed, January 6, 1962.

Device: Exercycle (sold OTC)

A bicyclelike frame device equipped with an electric motor which provides power and rhythmic motions individually or collectively, to the pedals, handlebars, and seat.

Shipper: Exercycle Corp., care of the Little Products Co., Hartford, Conn.

Action and charge: Seizure. False and misleading labeling claims for increasing circulation of the body thus helping vital organs to function more efficiently; helping to counteract an increasing death rate from circulatory

disorders; helping to overcome or prevent failing eyesight, intestinal disorders, nervousness, body pains and aches, heart attacks, lack of energy and vitality, brain stroke; helping to prevent ailments not presently evident; that exercise derived from use of the device will reduce the blood cholesterol thus lowering incidence of hardening of arteries and possibly other conditions; that exercise derived from use of the Exercycle aids in regaining lost youth and health, controlling asthma, recovering from tuberculosis, reducing need for insulin in diabetics, and reducing complications of pregnancy; and that exercise derived from limited daily use of the device contributes significantly to weight reduction.

Disposition: Consent decree. Literature destroyed, devices disassembled January 16, 1962.

Devices: Auto Electronic Radioclast Model 20 and Electronic Analysis Instrument Model F (sold Rx and OTC)

Shipper: L. L. Roby Manufacturing Corp., Tiffin, Ohio

Manufacturer: Electronic Instrument Co., Tiffin, Ohio (Radioclast Model 20) and L. L. Roby Manufacturing Corp., Tiffin, Ohio (Electronic Analysis Instrument Model F).

Action and charge: Seizure. Radioclast—a wood cabinet containing a combination of electronic circuits. The control panel contained pilot lights, line switch, heater switch, and a series of dials intended for use in determining the identity of diseased organs. Three other dials allegedly identified the disease conditions present, and additional dials allegedly determined the intensity of the disease. An attached detector plate purported to locate the point of maximum reaction and thus determine the location of the disease in the body. Electronic Analysis Instrument—a wood console cabinet fitted with a control panel containing a direct current milliammeter, 2 pilot lights, switches, and 12 dials. The device purported to measure electrical impulses allegedly emanating from diseased tissue. A detector plate attachment was used to diagnose the location and extent of disease. Both devices failed to bear adequate directions for use.

Disposition: Condemned by court order September 4, 1962, and delivered to the Food and Drug Administration.

Device: Moser Feinstrom S4 (sold Rx)

A leatherette covered wood case enclosing a 24-volt battery. The case displayed a control panel containing a milliammeter, switches, rheostat control, and electrode terminals. A variety of electrodes accompanied the device.

Shipper: J. Erich Moser A. G., Erlangen, Germany.

Action and charge: Seizure. False and misleading claims in accompanying labeling which represented the device as effective for alleviating or overcoming angina pectoris, anorexia, arteriosclerosis, arthritis, asthma, spinal disk injuries, catarrh, paralysis of the bladder, bronchitis, high and low blood pressure, constipation, epilepsy, cold, inflammation of the joints, rheumatism, gout, heart disease, cancer, varicose veins, headaches, liver disease, ulcers, multiple sclerosis, and poliomyelitis; and that use of the device in giving the "galvanic complete bath" acted as a preventive against numerous health impairments.

Disposition: Default decree. Delivered to FDA for exhibit purposes, July 11, 1962.

Device: Oxygen Air-Aid Inhaler (sold OTC)

Dealer and packager: Val-U-Air Products, Inc., New York, N.Y.

Action and charge: Seizure. Device—a small cylinder-shaped inhaler designed to hold a replaceable oxygen cartridge—was falsely claimed to be effective for relieving athletic exhaustion, swimming distress, overindulgence, strain, breathlessness, smoke nausea, morning indisposition, headaches, asthma, croup, coronary discomfort, anginal pains, driver fatigue, and respiratory difficulties.

Disposition: Consent decree. Misbranding literature destroyed; devices brought into compliance with the law, May 7, 1962.

Device: Jacuzzi Whirlpool Bath (sold OTC)

A portable unit used to swirl water in a tub or pool.

Shipper: Jacuzzi Bros., Inc., Hackensack, N.J.

Action and charge: Seizure. Misbranded by false labeling claims which represented the device as an adequate treatment for relieving pain of arthritis, bursitis, rheumatism, and other muscular disorders; relieving varicose veins, hemorrhoids, restricted circulation of the extremities, and nervous tension; reviving muscular and skin tissue, and accomplishing bone regeneration.

Disposition: Consent decree March 26, 1962. Device to be relabeled in compliance with the law.

Device: Beautypower (sold OTC)

A plastic box containing an electric motor with hand unit attachments. Two sponge pieces, soaked in water or contact solution to establish an electrical contact between the device and the face, placed in the hand units.

Dealer: Beauty Power, Inc. (Contour Chair Lounge Corp.), New York, N.Y.

Action and charge: Seizure. False and misleading labeling claims represented the device as effective for revitalizing and restoring resiliency to facial muscles; eradicating facial lines, sagging facial contours, and double chin; toning flabby muscles and making them stronger, more elastic, and younger; stimulating circulation in the facial area; relieving tension, removing crepiness of the skin and "dowager's hump"; and improving skin texture.

Disposition: Default decree. Devices turned over to the Food and Drug Administration, May 3, 1962.

Device: Acme Supreme Brand Juicers (sold OTC)

Shipper: Acme Manufacturing Co., Lemoyne, Pa.

Action and charge: Seizure. False and misleading claims which represented the device as the answer to having vitality and good health; that the juicer was a "gold mine" investment in good health; that it made (juice) cocktails rich in vitamins; that it was the most valuable appliance in the home; and thus by reason of its health significance and its use in extracting raw fruit and vegetable juices, the device was beneficial in the treatment of colds, cancer, ulcer, arthritis, intestinal complaints, and other disease conditions.

Disposition: Consent decree. Misbranding literature destroyed, April 3, 1962.

Device: Micro-Dynameter

Essentially a galvanometer for measuring electrical currents and electrical potentials of small magnitude. The unit is mounted in a metal or wood cabinet on the face of which is a meter intended to measure the flow of current, together with a number of dials to be set at numbered or lettered positions. The electrical current which is measured by the meter is generated by closing the circuit between two metal "probes." The circuit is closed by placing the "probes" at different points on the human body, or by placing the "probes" together or by immersing the "probes" in water.

Shipper: Ellis Research Labs, Inc., Chicago, Ill.

Dealer: In possession of several score practitioners throughout the United States.

Action and charges: Seizure. False and misleading claims for the diagnosis of most disease conditions, including cancer, tuberculosis, rheumatism, nephritis, nerve impingements, etc. Further misbranded by failure of the labeling to bear adequate directions for use.

Disposition: Default decrees were entered in most cases (involving in excess of a total of 150 micro-dynameter devices) providing for destruction under court order.

Device: Neurolinometer and Research Models (revised version of the original Neurolinometer)

An electrical device housed in a small suitcase type container. The control panel consists of an assortment of dials, switches, and control knobs. A bakelite plate is also present to be used for the alleged detection of electrical signals from the body. An electrode in the form of a metal probe was to be applied to the body along the spinal column and from this a diagnostic signal consisting of a "pull" or "stickiness" indicating the presence and degree of nerve interference was to be detected by the fingers of the operator.

Shipper: Toftness Chiropractic Clinic, Cumberland, Wis.

Dealer: In possession of several score practitioners throughout the United States.

Action and charges: Seizure. Misbranded for failure of the labeling to bear adequate directions for use for conditions for which intended, namely, for the diagnosis of most diseases in men. The device was alleged to be worthless for any medical purpose. The "Research Model" version of the Neurolinometer was additionally misbranded in that the device had no valid research purpose in medicine.

Disposition: Default decrees were entered (seizure actions accounted for approximately 50 Neurolinometers and Research Model devices) in most of the seizure actions providing for destruction under court order.

Enforcement actions involving therapeutic devices, July 1, 1961, through December 31, 1962

INJUNCTIONS FILED

Device: Mercier Radioactive Device

A box-shaped device in which blood from the patient's arm was placed and exposed for 24 hours to radiation from the radioactive materials in the device, then the plasma reinjected into the patient.

Shipper: A. F. Mercier, Santa Fe, N. Mex.

Action and charge: Injunction. Falsely claimed to be an adequate and effective treatment for any physical or mental disease or abnormality. Also charged misbranded and adulterated in that its labeling failed to state all of the diseases, conditions, and purposes for which it was orally represented by the defendant; that it was dangerous to health when used in the dosage, or with the frequency or duration prescribed in its labeling; and that its external surfaces bore significant radioactive contamination and its construction permitted continued escape of hazardous radioactive substances.

Disposition: Consent decree of injunction, February 28, 1962, prohibited defendant Andrew F. Mercier and all persons in active concert or participation with him from shipping the devices in interstate commerce in its misbranded or adulterated form.

Devices: Radiolast, Electron-O-Ray, Neurolinometer, and Quto-Electronic Instrument

Devices varied in size and shape but in general consisted of panels of lights, rows of switches, control knobs, and electrodes. Treatment was given through a high frequency electric current in harmony with the allegedly measured frequency. The patient felt a tingling sensation from the current.

Shipper: Electric Instrument, Inc., Tiffin, Ohio.

Action and charge: Injunction. Falsely claimed to be effective in diagnosing and treating many different diseases by measuring alleged electrical frequencies emanating from diseased areas of the body.

Disposition: Consent decree of permanent injunction, April 18, 1962, prohibited defendants Electronic Instrument, Inc., Dale C. Mowery, and Helen R. Mowery, from shipping the devices in interstate commerce.

Device: Micro-Dynameter (described under "Seizure" tabulation)

Shipper: Ellis Research Labs, Inc., Chicago, Ill.

Action and charge: Injunction. False and misleading claims for the diagnosis of most disease conditions, including cancer, tuberculosis, rheumatism, nephritis, nerve impigments, etc. Further misbranded by failure of the labeling to bear adequate directions for use.

Disposition: Permanent injunction issued on June 14, 1961, prohibiting distribution of the device in interstate commerce. Defendants appealed and on March 22, 1962, U.S. Circuit Court of Appeals at Chicago affirmed the district court decision. Certiorari was denied by the Supreme Court on June 11, 1962, and the defendants discontinued business.

Enforcement action involving drugs—July 1, 1961 through December 31, 1962

PRODUCTS SEIZED UNDER COURT ORDER (CLOSED CASES)

Product: New Instant Medi-Quik First-Aid Spray

Shipper: Lehn & Fink Products Corp., Bloomfield, N.J.

Charge: The label and an insert leaflet bore false and misleading representations that the article combated established infection and was an effective treatment for skin rashes when in fact the composition of the article was such that its use may have resulted in the development of a skin rash.

Disposition: Decree entered, destroyed March 30, 1962.

Product: Ulcertrol (Stomach Ulcer Remedy)

Distributor: LeRoy F. Swinehart, doing business as Red's Market, 128½ South Kalamazoo Street, White Pigeon, Mich.

Charge: The bottle label and circulars entitled "Ulcertrol—The Completely New Ulcer Medication That Is Guaranteed," bore false and misleading statements that the article was adequate and effective in the treatment of stomach ulcers.

Disposition : Decree entered, destroyed August 23, 1961.

Product: Robinson Stomach Tablets with Adiphenine

Manufacturer : Nysco Laboratories, Inc., Long Island City, N.Y.

Distributor : Old Texas Pharmaceutical Co., Seagoville, Tex.

Charge : The manufacturer's bulk container label and the distributor's repackaged label both bore false and misleading claims for the treatment of gastric ulcers.

Disposition : Destruction, August 23, 1961.

Product: Stomachic and Alternative, Formula No. 99 (therapeutically inactive products) and Formula B-W Tonic and Laxative

Manufacturer : Table Rock Laboratories, Greenville, S.C.

Charges : The Stomachic and Alternative and Formula No. 99 labels bore statements which represented that these products had therapeutic value. They had none.

The label of the Formula B-W Tonic and Laxative bore false and misleading representations that the product was effective in diminishing the pulse, quieting irritation, allaying coughing, hemorrhages, diarrhea, and dysentery.

Disposition : Decree entered, destroyed January 20, 1962.

Product: Neutsu (Herbs)

Distributor : Fred J. Brough, doing business as Neutsu Herb, Box 126, Salmon, Idaho.

Charge : A leaflet accompanying the article bore false and misleading claims for the treatment of rheumatism, prostate trouble, lame back, and bladder trouble.

Disposition : Decree entered, destroyed November 6, 1961.

Product: Barosil (Antacid Preparation)

Distributor : Barry-Martin & Co., 4621 Ponce De Leon Boulevard, Coral Gables, Fla.

Charges : The label bore false and misleading claims for the treatment and management of peptic ulcer.

Disposition : Decree entered; product was relabeled on August 2, 1962.

Product: Barogel (Antacid Preparation)

Distributor : Barry-Martin & Co., 4621 Ponce De Leon Boulevard, Coral Gables, Fla.

Charges : The label bore false and misleading claims for the treatment and management of peptic ulcer.

Disposition : Decree entered; product was relabeled on August 2, 1962.

Product: Hunt's 3-Minute Balm (Counterirritant)

Manufacturer : Hunt Bros. Products, 5685 15th Street, Detroit, Mich.

Charge : A leaflet attached to the bottle bore false and misleading statements that the article was adequate and effective in the treatment of headaches, sinusitis, soreness, lameness, stiffness, stiff neck, and any kind of muscular ache.

Disposition : Decree entered, destroyed November 6, 1961.

Products: Sulf-Hydro-Sol and S-M-C Colloidal Sulfur (Colloidal Sulfur Mixtures)

Shipper : The Colloidal Sulphur Co., Inc., 599 Columbus Street, Salt Lake City, Utah.

Charge : The labels and accompanying literature contained false and misleading claims for the treatment of rheumatoid arthritis, certain metabolic diseases due to sulfur deficiencies, claims that use of the article stimulated metabolism, revitalized and normalized cellular metabolism, and the representation that one could drink his way to health and beauty by use of these products. The product Sulf-Hydro-Sol was additionally misrepresented by statements that it possessed special therapeutic and dietary properties due to the presence in it of highly reactive sulfur complexes and colloidal trace minerals in a high potency concentrate supplying the univalent radical SH.

Disposition : Decree entered, destroyed December 5, 1961.

Product: Valer-Relax Capsules

Shipper : Professional Products Co., 638 East Fourth Street, Long Beach, Calif.

Charge: The name "Valer-Relax" suggested that the article was capable of relaxing the user. The bottle label and accompanying leaflets contained false and misleading claims that the article was effective in the treatment of nervous tension, sleeplessness, tired feeling, and a host of disorders due to nervous tension; that it would control emotions, prevent heart disease, and hardening of the arteries and gas pains around the heart; that the product was a natural relaxant and that it would allay hunger pains and thereby result in weight reduction; and the leaflet also contained representations that the article was a tranquilizing drug, which was not a fact.

Disposition: Decree entered, destroyed on February 20, 1962.

Products: *Herbs, Devore Laxative Herbs, Devore Herbs No. 7, Devore Herbs No. 28, Devore Herbs No. 26, Devore Herbs No. 27, Anise Seed, Catnip, Fennel Seed, Cascara, Cheese Plant, and various other herbs*

Distributor: Devore Herbs Co., 312 East 28th Street, Lorain, Ohio.

Charge: The articles were associated with the leaflet which bore false and misleading claims for the elimination of body waste thereby preventing and overcoming or relieving colds, coughs, piles, fever, backaches and other conditions and that the herbal preparations were capable of relieving pain, expelling worms, curing rheumatism, preventing spasms, purifying the blood, cleansing boils and ulcers, curing ringworm and other skin diseases and dispelling tumors.

Disposition: Decree entered, relabeling completed on April 25, 1962.

Product: *Three Crown Soda brand, Bicarbonate of Soda*

Distributor: Byron H. Smith & Co., Inc., 365 Main Street, Bangor Maine, d/b/a The Atlantic Spice Co., Union Street, Bangor, Maine.

Charge: The label bore false and misleading statements that the product was an adequate and effective treatment for sick headache, eczema, colds, and for preserving enamel of the teeth.

Disposition: Decree entered, relabeled February 5, 1962.

Product: *Chloraseptic Mouthwash*

Manufacturer: The Chloraseptic Co., 400 Victor Building, Washington 1, D.C.

Charge: The bottle and carton label and promotional literature bore false and misleading claims that the product was an adequate and effective treatment for sore gums, soreness of the mouth, and throat tissues, all infections of the mouth and throat, including infections due to various strains of streptococci, staphylococci and other organisms which cause deep throat infections, pharyngitis, acute tonsillitis, peritonitis, Vincent's infection, aphthous ulcers and herpetic lesions, that the article would destroy bacteria in the oral cavity. Part of these claims were contained in literature which was sent to physicians.

Disposition: Decree entered, destroyed February 5, 1962.

Product: *Throck's R-6000 Formula (ulcer remedy)*

Manufacturer: Peoria Drug Co., 3306 North Madison Street, Peoria, Ill.

Charge: The bottle label, accompanying leaflet and promotional card bore false and misleading statements that the article was adequate and effective treatment for ulcers of the intestinal tract, that it protected the irritated walls of the stomach and stimulated the digestion.

Disposition: Decree entered, destroyed September 26, 1962.

Product: *Rexall Bislumina Acid Guard*

Manufacturer: Rexall Drug Co., 3915 North Kingshighway, St. Louis 15, Mo.

Charge: The product was misbranded by false claims contained in the promotional literature for false and misleading claims for the treatment of peptic ulcers.

Disposition: Decree entered. The misbranding was corrected by destruction of the accompanying literature, and release of the goods to the claimant on August 22, 1961.

Product: *Prescription X-259*

Manufacturer: R. P. White Drug Co., 259 West Federal Street, Youngstown, Ohio.

Charge: The label and a display placard bore false and misleading statements that the article was an adequate and effective treatment for stomach and duodenal ulcers.

Disposition: Decree entered, destroyed September 12, 1961.

Product: Mavene Wafers (antacid)

Shipper: Yorktown Products Corp., 441 Lexington Avenue, New York 17, N.Y.

Charge: The vial label and a booklet entitled "The Medical Facts About Excess Acidity" bore false and misleading statements that the article was adequate and effective in the treatment and prevention of stomach and duodenal ulcers.

Disposition: Decree entered, destroyed November 9, 1961.

Product: Utopia Home Mineral Bath (bath salts)

Distributor: Comfort Research Inc., Seattle, Wash.

Charge: The product was misbranded by false claims on its carton and envelope labels which represented that the article was adequate and effective, because of its mineral salt composition, as treatment for relieving pain due to arthritis, rheumatism, neuritis, nervous tension, and muscular discomforts.

Disposition: Consent decree entered, destroyed December 20, 1961.

Products Lix-Pain Cream Liniment

Shipper: Oglesby Chemical Co., Kinston, N.C.

Charge: The liniment was misbranded by false claims on the bottle label and accompanying circular which represented that the article was adequate and effective as a treatment for swollen joints, swollen glands, arthritis, neuritis, neuralgia, sinusitis, headache, bruises, sprains, minor burns, cramps, tooth ache, calluses, corns, and bunions.

Disposition: Default decree entered, destroyed July 7, 1961.

Products: Biphetamine-T Capsules 12.5 mg., Biphetamine-T 12.5 mg. Capsules, Biphetamine-T 20 mg. Capsules (prescription drugs)

Shipper: Strassenburgh Laboratories, Division Wallace and Tiernan, Inc., Rochester, N.Y.

Charge: Violations also charged under other sections of the act. Misbranded by false claims on the physicians' file cards (promotional material), which represented that the drug reduced the insulin requirement in diabetes, reduced nitroglycerin requirements in arteriosclerosis, and reduced the blood pressure in hypertension.

Disposition: Decree entered, destroyed October 18, 1961.

Product: Hy-Jet Wafers (effervescent douche wafers)

Repacker: Medco Co., Inc., New Orleans, La.

Charge: Misbranded by false claims on the label and accompanying literature that the article was effective for the treatment of monilia, trichomonas, staphylococcus, and streptococcus.

Disposition: Default decree, destroyed August 14, 1961.

Products: Virilon, Physician's Formula for the Hair and Scalp, Virilon Hair Follicle Cleanser, Virilon (High Potency Special Strength), Physician's Formula for the Hair and Scalp

Shipper: Steroid Products Inc., Pontiac, Mich., and Virilon Products, Inc., Jackson, Mich.

Charge: Misbranded by false claims in the labeling, streamers, and leaflets accompanying the articles, that the articles were adequate and effective as a treatment for growing thick hair and obtaining a healthy scalp; for overcoming male pattern baldness; for maintaining healthy hair and scalp; and for providing a penetrating action for treatment of scalp conditions.

Disposition: Decree entered, product and accompanying literature destroyed August 28, 1962.

Products: Mare Mano Eternal Youth, Corrective Cosmetic for Wrinkles and Blackheads, Mare Mano Capillaris Cream (Hair and dandruff cream), Mare Mano Acne Cream

Manufacturer: Mare Mano, Inc., 3601 Boulevard of the Allies, Pittsburgh, Pa.

Charges: The articles were misbranded by false claims on the labels as follows: Eternal Youth Corrective Cosmetic: That its name, "Eternal Youth," represented that the article was capable of causing its user to acquire and keep an everlasting youthful appearance; and that statements on its label represented the article to be capable of effectively reducing wrinkles around the eyes; and that it was an adequate and effective treatment for blackheads.

Capillaris Cream: The article was misbranded by false claims on the label which represented that the article was an adequate and effective treatment for falling hair, dandruff, and for restoration of hair.

Acne Cream: The article was misbranded by false claims on the label which represented that the article was an adequate and effective treatment for acne, pimples, blackheads and monthly skin disorders and by its name "Acne Cream."

Disposition: Decree entered, destroyed July 27, 1961.

Product: *Utopia Home Mineral Bath (bath salts)*

Distributor: Comfort Research Inc., 2915 1st Avenue, Seattle, Wash.

Charge: The article was misbranded by false claims on its carton and envelope labels which represented that the article was adequate and effective, because of its mineral salt composition, as a treatment for relieving pain due to arthritis, rheumatism, neuritis, nervous tension and muscular discomforts.

Disposition: Default decree. Destroyed September 25, 1961.

Product: *Delamer Minerals in solution of sea water*

Shipper: Del Monte Laboratories, 1296 Hilby Avenue, Seaside, Calif.

Charge: Misbranded by false claims on the label and accompanying leaflets which represented that foods were grown in mineral-depleted soils, and that the users' health was jeopardized by consumption of such foods, unless protected by this product; that the use of this product would drive out toxins from the body and that health would follow; that the addition of minerals to sea water imparted unique properties to this product; that it was effective for the treatment of many diseases caused by mineral deficiencies; that the product was effective in delaying the aging processes, and in preventing the bones of the aged from becoming brittle and easily broken. The product was not effective as a treatment for the diseases, conditions or purposes listed, and the minerals (except iron, calcium and iodine) and were not present in amounts which would have any significance when the product was taken as directed.

Disposition: Default decree entered November 3, 1961. Product and labeling destroyed.

Product: *Flucaps*

Repacker: Briggs Laboratory Product Co., Indianapolis, Ind.

Charge: Misbranded by false claims on the label and display carton which represented that the product was effective as a treatment for the relief of flu, colds, chills, rheumatism, grippe, and associated conditions.

Disposition: Default decree entered. Destroyed November 2, 1961.

Product: *Fem-A-Line (a product to stimulate menstrual flow)*

Distributor: Fem-A-Line Laboratories, Dallas, Tex.

Charge: Misbranded by false claims on the label and accompanying leaflet by representations that the article is adequate and effective "to assist retarded menstruation caused by severe colds and other unnatural suppression of the menses." (Also charged: Danger to health when used as directed.)

Disposition: Decree entered; product and literature destroyed November 2, 1961.

Product: *"Oasis Home Mineral Baths"*

Shipper, manufacturer: Oasis Co., El Monte, Calif.

Charge: Misbranded by false claims in leaflets and display cards that the article was an adequate and effective treatment for relieving discomfort and pains of arthritis and rheumatism; relieving nervous tension; improving blood circulation; and that use of the article provided all the health benefits obtainable at health resorts.

Disposition: Decree entered, destroyed January 9, 1962.

Product: *"Dr. Reeves' Special Foot Cream for Diabetics"*

Shipper, manufacturer: Chemical Commodities, Inc., Olathe, Kans.

Charge: Misbranded by false claims in the label that the article was an adequate and effective treatment for impaired foot circulation and would prevent corns and calluses.

Disposition: Decree entered, destroyed December 31, 1962.

Product: "Sendol Tablets"

Distributor: Sendol Co., Kansas City, Mo.

Charge: Misbranded by false claims in the carton label, the bottle label, the box label, and a leaflet enclosed in the carton, that the article was an adequate and effective treatment for painful disorders due to simple headaches, colds, pains and aches, and minor aches and pains of rheumatism, neuritis, sciatica, bursitis, and lumbago.

Disposition: Consent decree entered. Relabeled under supervision of Food and Drug Administration.

Product: "Red Mountain Blood and Nerve Tonic"

Shipper: Red Mountain Medical Co., Gary, Ind.

Charge: Misbranded by false claims in the label that the article was an adequate and effective treatment for promoting pep; vigor and energy; for run-down nerves; impure blood; rheumatism; anemia; bladder weakness; swelling and stiffness of lower limbs and joints; skin diseases; and loss of appetite.

Disposition: Decree entered. Destroyed February 28, 1962.

Product: "The Famous Red Mountain Cough Syrup"

Shipper: Red Mountain Medical Co., Gary, Ind.

Charge: Misbranded by false claims in the label that the article was an adequate and effective treatment for coughs, colds, bronchial irritations, tight stuffy chest due to colds and exposure, and hoarseness.

Disposition: Decree entered. Destroyed February 28, 1962.

Product: "Red Mountain Liver-Kidney Regulator"

Shipper: Red Mountain Medical Co., Gary, Ind.

Charges: Misbranded by false claims in the label that the article was an adequate and effective treatment for eliminating wastes and poisons from the system; relief of sluggish liver and kidneys; backaches; headaches; colds; constipation; indigestion; gastric stomach; dizziness in head; high blood pressure; bad breath; no pep due to a bilious system; and to prevent serious menstrual pains.

Disposition: Decree entered. Destroyed February 28, 1962.

Product: "Husco Brand Rectal Ointment"

Distributor: Hussey Distributing Co.

Repacker: Atlanta 3, Ga.

Charge: Misbranded in that its label failed to bear a warning that in case of rectal bleeding a physician should be consulted promptly.

Disposition: Default decree entered. Destroyed April 3, 1962.

Product: "Tum Tabs"

Distributor: Hussey Distributing Co. Atlanta 3, Ga.

Charge: Misbranded by false claim in the label which represented and suggested that the article was an adequate and effective treatment of peptic ulcer.

Disposition: default decree entered. Destroyed April 3, 1962.

Product: "Engram's S-R Antacid Gastric Sedative"

Distributor: The Drug Shop, doing business as S-R Co., Albany, Ga.

Charges: Misbranded by false claims in the label that the article was adequate and effective as a treatment for gas, inflammation, acid disturbances, nausea, ulcerated stomach, and intestines.

Disposition: Decree entered. Destroyed July 13, 1962.

Product: "Reclu"

Distributor: Reclu Drug Co., Ltd., Seattle, Wash.

Charges: Misbranded by false claims in name (ulcer spelled backwards) bottle label and leaflet, that the article was an adequate and effective treatment for stomach ulcers.

Disposition: Decree entered. Destroyed July 26, 1962.

Product: "Squaw Paw Brand Famous Liniment"

Manufacturer: Celtonsa Medicine Co., Cincinnati, Ohio.

Charges: Misbranded by false claims in its label, on carton, and in leaflet that the article was an adequate and effective treatment for sprains, bruises, frostbite,

nonpoisonous insect bites, simple headache, neuralgia, wrenches, children's minor injuries and toothache.

Disposition: Default decree entered. Destruction January 2, 1962.

Product: "Square Paw Brand Herbs"

Dealer: John C. Vogt, Torrance, Calif.

Charges: Misbranded by false claims in leaflet that the article was adequate and effective as a treatment for biliousness, colds, piles, pain in back, neck, shoulders, or hips; heartburn, heart palpitation; biliousness or sick headache; sour or sick stomach; belching; bloating; gas on stomach; rheumatism, lumbago; female complaints; bladder trouble; kidney trouble; asthma; indigestion; colitis; blood disease; various skin diseases; ulcers; liver trouble; and appendicitis.

Disposition: Default decree entered. Destroyed January 2, 1962.

Products: Frye's Laxative Syrup, Gentian Iron Tonic, Rheumatine Compound No. 50, Meditron, Frye's Compound Wine of Comfrey.

Dealer: C. T. Frye trading as Frye Product Co., Kingsport, Tenn.

Charge: Misbranded by reason of the failure of the label to bear adequate directions for use in conditions for which these products were orally recommended, as follows:

Frye's Laxative Syrup: Claims for the treatment of conditions of the liver.

Frye's Gentian Iron Tonic: Represented for the treatment of weakened rundown conditions, and for gaining strength and building up the body.

Frye's Rheumatine Compound No. 50: Promoted for the treatment of rheumatism and arthritis, and for removing poisons from the blood.

Meditron: Promoted for the treatment of arthritis and rheumatism.

Frye's Compound Wine of Comfrey: Represented for the treatment of internal bleeding in women, for healing and stopping pains of menstruation, and for irregular menstruation.

Disposition: Consent decree entered March 7, 1962. Drugs released to distributor to be relabeled with adequate directions for use for more restricted claims (*see also* Criminal prosecutions terminated).

Product: "Stomach Relief" (Antacid)

Manufacturer: F. A. Products Co., 600 South Michigan Avenue, Chicago, Ill.

Charges: The label bore false claims for stomach relief and upset stomach

Disposition: Decree entered, destruction on March 28, 1962.

Product: "Calorie Control" (appetite depressant)

Manufacturer: F. A. Products, 600 South Michigan Avenue, Chicago, Ill.

Charges: The label bore false claims for calorie and weight control and appetite appeasement.

Disposition: Decree entered, destruction on March 28, 1962.

Product: "Alertness" (Caffeine-Vitamin combination)

Manufacturer: F. A. Products, 600 South Michigan Avenue, Chicago, Ill.

Charges: The label bore false statements that the product was natural in composition and was effective as a stimulant for vitality and alertness.

Disposition: Decree entered, destruction on March 28, 1962.

Product: "Cold-Sinus"

Manufacturer: F. A. Products, 600 South Michigan Avenue, Chicago, Ill.

Charges: The label bore false claims for the treatment of colds and sinus congestion.

Disposition: Decree entered, destruction on March 28, 1962.

Product: "Calm Nerves"

Manufacturer: F. A. Products Co., 600 South Michigan Avenue, Chicago, Ill.

Charges: The label bore false claims for the treatment of sleeplessness, nervous tension, and irritability.

Disposition: Decree entered, destruction on March 28, 1962.

Product: "Z-50" and "X-9" (Cancer Treatment)

Shipper: George S. Zuccala, 179 Allyn Street, Hartford, Conn.

Charges: The printed material accompanying these drugs bore false claims for the treatment of cancer.

Disposition: Decree entered, destruction on November 7, 1961.

Product: "Kool-Foot and Ten Second Rub"

Shipper: Devine's Remedies, Inc., 4930 North Ravenswood Avenue, Chicago 40, Ill.

Charges: The label of the Kool-Foot bore false claims for the treatment of athlete's foot. The label of the Ten Second Rub and the leaflet entitled "Feet Hurt, Burn . . . Tired . . . Itch . . . Ache???" both bore false claims for the treatment of headache, colds and cough.

Disposition: Decree entered, destruction on April 26, 1962.

Product: "Ease Diuretic Tablets"

Distributor: Rhodes Laboratory, 102 West 11th, Ft. Worth, Tex.

Charge: Radio scripts and testimonial letters associated with the product contained false statements representing the article as an effective treatment for backache; leg pains; rheumatic and arthritic stiffness; headaches; dizziness; nervousness; puffiness under the eyes; swelling ankles, hands, arms and feet; excess poisonous matter in the blood; malfunction of the kidneys; bloat; bladder urgency; neuralgia; cramps; and excess weight.

Disposition: A consent decree was entered; the seized articles were destroyed on May 25, 1962.

Product: "Lusco Peter's Remedy" (laxative)

Manufacturer: Luscoe Products, Inc., 806 Broadway, Buffalo, N.Y.

Charge: The bottle and carton labels bore false statements that the article was an effective treatment for temporary relief of gastrointestinal disturbances. The name "Gastrodex" under which the product was sold in Canada suggested use in gastrointestinal disorders and the directions for use on the label suggested continued and prolonged use of the article, while in fact the article was a simple laxative which should have been offered for the temporary relief of occasional constipation.

Disposition: Consent decree was entered; the article was destroyed on October 10, 1962.

Product: "Zinsep Compound" (Antacid-Laxative Combination)

Manufacturer: Union Pharmacal Co., Lake Quivira, Kansas City, Kans.

Charge: A leaflet entitled "Zinsep * * * America's Greatest Stomach Remedy * * *" accompanying this article contained false statements that the article was effective for overcoming stomach and intestinal pains, promptly correcting stomach disorders; correcting digestive disorders; relieving chronic stomach disorders; correcting conditions causing acid dyspepsia; nausea, vomiting, sour stomach, belching, flatulence, bloating heartburn, sick headache, bad breath; and for healing stomach ulcers.

Disposition: A default decree was entered; the article was destroyed April 25, 1962.

Product: "Merbels Formula No. 2" (Antacid)

Manufacturer: Merton Bell, doing business as Bell Labs., 157 East Highland Avenue, and doing business as Bell's Prescription Pharmacy, 2 West 11th Street, Tracy, Calif.

Charge: The bottle label and leaflets accompanying this article bore false statements that the article was an adequate, safe, and effective treatment for stomach distress due to ulcers, chronic sick, gassy, ulcerous stomachs; more serious stomach ailments; dizziness; peptic ulcers; colitis; and all ailments connected with stomach trouble except cancer.

Disposition: A decree was entered; the product was relabeled on August 17, 1962.

PROSECUTION CASES FILED

Product: "No. 1 Calcium Fluoride"; "No. 2 Calcium Phosphate"; "No. 6 Potassium Phosphate"; "No. 7 Potassium Sulphate"

Distributor: Fred N. Haas doing business as Haas Mineral Distributing Co., Omaha, Nebr.

Charges:

"No. 1 Calcium Fluoride": The labeling failed to bear adequate directions for use for the purposes, conditions, and diseases for which the article was represented by Fred N. Haas, namely, as an adequate and effective treatment for heart disease, cancer, nerves, preventing abortion, increasing fertility by

balancing blood, aiding child delivery, and eliminating the need for Caesarean section.

"No. 2 Calcium Phosphate": The labeling failed to bear adequate directions for use for the purposes, conditions, and diseases for which the article was represented by Fred N. Haas, namely, as an adequate and effective treatment for heart disease, cancer, Bright's disease, eczema, indigestion, building blood cells, aiding in child delivery, eliminating the need for a Caesarean section, muscular tone, circulation, nerves, preventing abortions, increasing fertility by balancing blood, building health, and making heart and stomach healthy.

"No. 6 Potassium Phosphate": The labeling failed to bear adequate directions for use for the purposes, conditions, and diseases for which the article was represented by Fred N. Haas, namely, as an adequate and effective treatment for heart disease, cancer, helping breathing, aiding in child delivery, eliminating the need for a Caesarean section, building health, and making heart and stomach healthy.

"No. 7 Potassium Sulphate": The labeling failed to bear adequate directions for use for the purposes, conditions and diseases for which the article was represented by Fred N. Haas, namely, as an adequate and effective treatment for cancer, building health, making heart and stomach healthy, carrying poison out through pores, aiding in child delivery and eliminating the need for Caesarean section.

Action: Criminal prosecution of Fred N. Haas: Plea of *nolo contendere* on August 2, 1962. Defendant placed on probation for 1 year and ordered to pay court costs.

Products: Frye's Laxative Syrup; Gentian Iron Tonic; Rheumatine Compound No. 50; Meditron; Frye's Compound Wine of Comfrey; Frye's Diuretic and Alkaline, for Kidneys and Blood

Defendant: C. T. Frye, trading as The Frye Product Co., Kingsport, Tenn.

Charge: All of the above products were misbranded because the labeling did not bear adequate directions for use in the various diseased conditions as claimed by the defendant in oral representations. The claims made for the products were:

Frye's Laxative Syrup: Claims for the treatment of conditions of the liver.

Frye's Gentian Iron Tonic: Represented for the treatment of rundown conditions, and for gaining strength and building up the body.

Frye's Rheumatine Compound No. 50: Promoted for the treatment of rheumatism and arthritis, and for removing poisons from the blood.

Meditron: Promoted for treatment of arthritis and rheumatism.

Frye's Compound Wine of Comfrey: Represented for the treatment of internal bleeding in women, for healing and stopping pains of menstruation, and for irregular menstruation.

Frye's Diuretic and Alkaline for Kidneys and Blood: Represented for the treatment of diseased conditions of the prostate gland, bleeding kidneys and for removing pus from the kidneys, and poisons of the blood.

Disposition: Plea of *nolo contendere*. Found guilty, and fined \$200 on each of 5 counts, total fine, \$1,000 on April 10, 1962. (See also: "Termination of Seizure Actions.")

Product: "Formula B-13"

Manufacturer: Wise Laboratories & Co. (also known as Stockton Laboratories & Co.), Albuquerque, N. Mex.

Charges: Misbranded by false claims in accompanying labeling, namely, an undated form letter and dated letter that the article was an adequate and effective treatment for duodenal and gastric ulcers.

Action: Criminal prosecution of Emmett F. Stockton, an individual trading and doing business as Stockton Laboratories & Co., Albuquerque, N. Mex. Plea of guilty on November 17, 1961. Imposition of sentence suspended and placed on probation for 2 years on December 8, 1961.

INJUNCTIONS FILED

Products: Livesay's Laxative Syrup; Livesay's Formula No. 10, Bitter Tonic and Stomachic; Livesay's S & L Compound No. 25; Livesay's Antacid Powder; Livesay's Diuretic and Alkaline; Livesay's Formula No. 150, Stomachic; Livesay's Formula No. 161, Analgesic Vegetable Compound; Livesay's Alfatea

Distributor: W. B. Livesay Products Co., Walter B. Livesay, and Arthur L. Livesay, Pennington Gap, Va.

Charges: All articles were misbranded because the labeling failed to bear adequate directions for use for the conditions, diseases, or purposes for which the articles were recommended in oral statements made by Walter B. Livesay in his office. These products were recommended for—

Laxative syrup: The treatment of gall bladder troubles.

Formula No. 10: The treatment of hepatitis, jaundice, and infection of the liver.

S & L No. 25: The treatment of liver troubles and gall stones.

Antacid powder: The treatment of bleeding ulcers of the stomach.

Diuretic and alkaline: The treatment of bladder troubles, pus in the urine, and Bright's disease.

Formula No. 150: The treatment of prostate gland trouble.

Formula No. 161 and Alfatea: The treatment of inflammatory rheumatism.

Disposition: Goods seized, June 30, 1961. On August 10, 1961, a consent decree and permanent injunction was entered, which provided for the return of the drugs, with a provision prohibiting any further misbranding of these and other drugs distributed by this firm.

Product: Gericane H₃ (Injection of Procaine)

Manufacturer: C. F. Kirk Laboratories, Inc., New York, N.Y.

Charges: Product was misbranded by leaflets, reference cards, and brochures by false and misleading claims which represented that the drug was adequate and effective as a treatment for pathological aging, nervous disorders, lack of muscular strength, lapses of memory, lack of pigmented hair (achromotrichia), arthritic joints, baldness (alopecia), trophic ulcers, atrophy and scaliness of the skin of the hands, muscular atrophy, facial blotches, arthritis, arteriosclerosis, senile Parkinsonism, peptic ulcers, bronchial asthma, angina pectoris, lumbago, sciatica, trembling hands, mental trouble, and other diseases, symptoms, and conditions of old age (also charged: Violation of the "New Drug" section of the act).

Disposition: Consent decree of permanent injunction filed on April 14, 1961, prohibiting the firm, its officers, and agents from further distribution of this misbranded product.

Product: "Prostall"

Shipper: Metabolic Products Corp., Inc., Boston, Mass.

Charge: Misbranded by false claims in the labeling that it was an adequate and effective treatment for prostatic hypertrophy (enlargement of the prostate gland) and for the prevention of cancer of the prostate.

Disposition: After trial, the court granted a permanent injunction on February 19, 1962, prohibiting Metabolic Products Corp., and Mr. Edward Y. Domina, president of the firm, from making further interstate shipments of "Prostall" for the treatment of diseases of the prostate.

Product: Specificæ Adrenal Hormone Cream

Distributor: Specifics Drug Co., a partnership, Monte C. Etherton, Frank L. Etherton, partners, St. Louis, Mo.

Charges: Product was misbranded by labeling and promotional literature which represented that the product was effective for relieving or overcoming rheumatic and other arthritic pains, pains of fibrositis due to sprains, strains, fractures, post operative adhesions; arthritis, chronic fibrositis, rheumatism and arthritic afflic-

tions; lumbago; relief of pain of shingles; skin blemishes—keratoses of the aged; gout; painful skin and nerve conditions; obstinate and painful conditions; lameness, migraine headaches; trifacial neuralgia, rheumatoid arthritis or serositis; frozen nerves; neuritis, sciatica, Charley horse, gouty neuritis; chronic rheumatism, neuralgia, relief from pain and stiffness; osteoarthritis; stiff and painful fingers, capsulitis.

Disposition: Consent decree of injunction was entered May 18, 1962, and became effective on June 1, 1962. The injunction prohibits the firm from selling Specifex Cream, or any other product, with claims or implications that epinephrine hydrochloride in any form, applied topically, is of benefit in the conditions mentioned above.

Mr. LAIRD. That is all I have.

Mr. CARDWELL. Were you aware that these funds were going to lapse, the ones that you were discussing with Mr. Kelly?

Mr. LAIRD. Yes. I was aware of that.

EXHIBITS PRESENTED TO COMMITTEE

Mr. CARDWELL. Mr. Chairman, our exhibits this year were selected to highlight some of the things we did last year, both in the field and at headquarters, and they also, in most instances, deal with specific subject matter areas in our budget. They also, Mr. Chairman, are illustrative of the three areas of our primary concern; that is, articles or practices that are dangerous to health; those that involve filth, decomposition, or putridity; and those that involve economic frauds and cheats or our pocketbooks.

THALIDOMIDE

You will remember, Mr. Chairman, that during Mr. Larrick's discussion of our budget he mentioned the thalidomide tragedy. I mean by that the tragedy that developed when pregnant women took thalidomide and in a number of instances in Europe gave birth to babies without arms and legs and other gross deformities. This bottle that I show you isn't particularly impressive as an exhibit but it is a bottle of 100 tablets each containing 100 milligrams of thalidomide. This is the product that is involved in this tragic story. There has been so much publicity, Mr. Chairman, about the matter that I doubt that it is necessary for me to go into the details of all that was involved because I believe you and the other members of the committee are familiar with the highlights of this story. You are also familiar with the misfortunes involving the European mothers and their babies and the fortunate circumstances under which these things didn't happen in America.

I had hoped to have some better pictures of the babies that were involved in the thalidomide tragedy but we don't have any. I do have some photocopies that will illustrate what happened to these babies.

HORMONES

Mr. Chairman, you will recall, too, that while the Commissioner was discussing our work he mentioned estrogenic substances and the dangerous character of these, particularly when taken indiscriminately or without medical supervision. This product called Liefcort is a mixture of potent hormones containing 10 times the normal therapeutic dose of estradiol. It also contains prednisone and testosterone. This product is manufactured by a Dr. Liefman in Canada under the name of Endocrine Research Laboratories, Quebec. This product is a new drug but Dr. Liefman does not hold an effective new drug application. Therefore, the product is illegal in this country. The product is recommended for arthritis. Since it is illegal in this country, many people suffering with arthritis went to Canada to Dr. Liefman and purchased the product there as a result of advertising in this country. You will see from its size that quite a few bottles could easily be smuggled across the border in a pocketbook, coat pocket, etc. I mention this merely to illustrate one of our import problems in enforcing the law and trying to keep illegal merchandise out of the United States. You will remember that Mr. Larrick mentioned the death of a female patient who was taking Liefcort for arthritis. Insofar as our information indicates, this lady—about 70 years old—went to Quebec and purchased a rather large supply of Liefcort from Dr. Liefman and after return to the States and taking the product uterine hemorrhage resulted. It was necessary to operate on the patient and she died of pneumonia. But there is no question, Mr. Chairman, that this lady might be alive today if she hadn't taken Liefcort. Dr. Liefman is wanted right now in the northern district of New York for distributing a hormone treatment for baldness in this country in violation of the FDC Act. A warrant for his arrest is outstanding.

IMPORT PROBLEMS

Mr. Chairman, continuing our discussion of some of our import problems this exhibit represents a product offered for importation from Japan. It involves two products, as you can see, Guronsan Tablets and Guronsan Oral Liquid. While all of the labeling is not in the English language as the law requires, there is a statement in English that indicates that the product is an "Invigorative and Detoxicative Agent for Liver."

According to the label, the active ingredient is glucuronic acid. This product is not an effective and adequate treatment for its intended use. The mandatory information required by the law is not prominently and conspicuously placed and I call your attention to the coloring of the labeling against the yellow background of the tablets. Perhaps more important though is the fact that the label fails to bear the name, quantity, kind, and proportion of each active ingredient. We estimate, Mr. Chairman, that the total value of all foods, drugs, cosmetics, and therapeutic devices which are imported annually into the United States exceeds \$6 billion. This is a token of the size of our import workload.

SEX HORMONES

Again, Mr. Chairman, you will recall that the Commissioner mentioned some of the adverse effects that the indiscriminate use of sex hormones can cause, particularly in young children. Here is an exhibit which I will call "Drug Adulteration" which demonstrates this point. The product being manufactured is diethylstilbestrol which is represented by this little white tablet right here on the exhibit. This manufacturer used the same mixing and tableting and packaging equipment for the manufacture of not only diethylstilbestrol but other drugs. Failure on the part of the manufacturer to adequately clean the grinder and mixer following manufacture of the potent sex hormone resulted in contamination of a product sold as a diet supplement (dicalcium phosphate), acid stomach (sodamint), and a prescription drug for tuberculosis (isoniazid). This particular case which required a great deal of meticulous, time-consuming inspectional work as well as the analysis of hundreds of samples for evidence of minute amounts of the contaminant caused feminization in young boys and men and precocious physiological development in young girls. These are serious adverse reactions caused in this particular case by the carelessness of a drug manufacturer to adequately safeguard the manufacture, packaging, and labeling of a potent drug.

Mr. Chairman, this exhibit involves a similar set of circumstances to the one I just discussed and the reason I brought this one along is so that you and the members of the committee can see at least photographically the equipment involved. This exhibit shows some of the conditions one of our inspectors observed and photographed during factory inspection of a drug firm which disclosed potentially dangerous conditions. These were—

- (1) Mixup of labels on the finished product.
- (2) Control number mixup.
- (3) Batch mixup.
- (4) Cross contamination, such as I discussed in connection with the former exhibit on diethylstilbestrol.
- (5) Contamination with extraneous materials.
- (6) Lack of laboratory control over raw materials and finished articles.

These conditions in a factory result in misbranded and adulterated drugs. This picture here, Mr. Chairman, shows the tableting machine which was unclean approximately 1 week after use. This picture shows the coating room in the plant and you can easily see the possibility of contamination of products moving through this room by extraneous materials. This picture right under it shows how the cross contamination between two products can occur in the weighing room. And this picture here shows the lack of significant chemical equipment or work in the laboratory space of the plant intended for analysis of raw materials and finished products.

WORTHLESS THERAPEUTIC DEVICES

These next three exhibits, Mr. Chairman, are illustrative of the work we have been doing this past year on worthless devices. In many instances these involved the practice of quackery. This first one is known as a Micro Dynameter, a so called therapeutic device used for

diagnosing disease. This device sold for \$900. This device is known as the Radioclast and it was also used for diagnosing disease. It cost \$700. This particular device in the picture was destroyed by the user when he was informed by Food and Drug inspectors visiting him on another matter when they saw the device that based on prior court decisions the product was in violation of the law and that if he wanted to voluntarily destroy it, seizure would not be necessary. As you can see from this lower photograph, the device was taken to the city dump and smashed to bits with an ax in the presence of our inspectors. This device, Mr. Chairman, is one that was used or at least it was sold for the purpose of increasing the size of the female breast. Over the years we have encountered many devices sold for this purpose and in all instances they were found to be ineffective for the stated purpose and in some instances dangerous to the health of the user. This particular bust developer is called Aquamass and involves fitting the instrument over the organ and applying water pressure on an oscillating basis. This particular device and its instructions for use are not only ineffective but may be dangerous. Seven cases containing 252 units were offered for importation from London, England, to a dealer in Cincinnati, Ohio, and we refused entry. This exhibit is also illustrative of the fact that we have import problems in our inland districts as well as those located in port cities.

LABORATORY EQUIPMENT

For the past few years, Mr. Chairman, each of our budgets have requested funds for more and better laboratory analytical equipment. During Mr. Larrick's discussion of our budget he mentioned pesticide residues in food and some of our analytical problems involved in this program. This exhibit shows how equipment modernization means economy and increased consumer protection against potentially dangerous and excessive amounts of pesticide residues. The photograph on the left illustrates the use of paper chromatography in the examination of samples for pesticide residues. Last year we examined about 8,500 raw agricultural products for pesticide residue contamination and using paper chromatography required about 7 hours analytical time per sample. This equipment gives us a sensitivity of 0.05 parts per million, requires 12 chemical reagents in its use, and 23 pieces of laboratory equipment. Now, Mr. Chairman, on the right you will see the progress that we are making due to the increased funds that the Congress has appropriated to us for this purpose. You are familiar with our goal of 25,000 samples to be examined this year for pesticide residues. This piece of equipment involves gas chromatography and we will analyze these 25,000 samples, each of which will require only 2 hours per sample. The sensitivity of this method is 0.005 parts per million, only three chemical reagents are required, and seven pieces of laboratory equipment. Mr. Chairman, the Food and Drug Administration is making progress in this area of consumer protection.

Now, Mr. Chairman, so that you and the other members of the committee can see just what type of work is produced by this modern equipment here is a case history of a sample of cabbage that was found using this equipment to contain the highly toxic pesticide endrin for which there is a zero tolerance. These first graphs and charts are

those that the gas chromatographic equipment turns out. You will notice this line here and its peaks wherein this equipment measures the known, that is, endrin, compared with a composite of the cabbage sample and the measurement and evaluation of the peaks on the graph determine the identity and quantity of the residue. These pieces of paper here are those turned out by the paper chromatograph. In other words, they are paper chromatograms and essentially the same principle of evaluation is used. This is complicated equipment, very costly, and requires a high degree of skill and competence on the part of our scientists. In this particular case, 1,040 bags of cabbage were removed from the channels of commerce because the cabbage contained a highly toxic pesticide residue.

Perhaps, Mr. Chairman, you or members of the committee noticed the publicity a few months ago involving a seizure of cocoa beans in Philadelphia due to insect infestation and storage under insanitary conditions. A half million burlap bags of cocoa beans were seized, valued at over \$16 million which is one of the largest seizures of an adulterated and violative product in the history of the Food and Drug Administration. This exhibit is a photograph showing a portion of the bags containing the cocoa beans that were found to be insect infested. The cocoa beans are being reconditioned under the supervision of the Food and Drug Administration.

MISLABELING

Don't be alarmed, Mr. Chairman, over this exhibit because of the question marks and skull and crossbones on the ice cream cone. This illustrates the close cooperation that exists between the Food and Drug Administration and its State and local cooperating officials. What is involved here is that a chemical supplier sold a large ice cream manufacturer a highly poisonous laundry cleaning compound labeled, I should say mislabeled, as "citric acid." Citric acid, as you know, is a well-known ice cream flavoring and food ingredient. Several batches of ice cream were made with this new flavoring and distributed in several Southeastern States but prompt action by FDA and cooperating State and local officials prevented consumption of any of this ice cream and over 1,400 gallons were destroyed under proper supervision.

This exhibit demonstrates two things (1) that any time food is being transported from one place to another there is always the possibility that something can happen to it to cause it to be misbranded, adulterated, or even dangerous to health; and (2) cooperation with industry to prevent adulterated food from reaching the consumer. This photograph on my left shows the interior of a truck which was hauling, among other cargo, 669 cases of oleomargarine from Memphis, Tenn., to Chicago, Ill. The carrier also contained 10 drums of hexachlorocyclopentadiene, a very dangerous and toxic chlorinated chemical used as a herbicide and a fumigant. No tolerances for this chemical have been established for foods. While the carrier was en route one of the drums of hexachlorocyclopentadiene burst and the chemical contaminated the oleomargarine. It permeated the cases and wrappers and was absorbed into the product. This caused the oleomargarine to be adulterated while in interstate commerce and due to the nature of the adulteration rendered the oleo-

margarine potentially dangerous for human consumption. The entire lot of 669 cases was voluntarily destroyed by the truckline under the supervision of a Food and Drug inspector.

FOOD CONTAMINATION

Mr. Chairman, you will recall that nearly every year some of our exhibits have illustrated filth in foods and this is because filth and insanitation are some of the things that we have to combat all the time. I think a great deal of progress has been made by the food industry in general and there is no question in my mind but that our foods today are cleaner and handled under more sanitary conditions than ever before. We haven't reached perfection yet as this exhibit and a few of the others that I still have to show will demonstrate. Here is a lot of mustard seed which was shipped in burlap bags and used to manufacture various foods. This particular lot was in a warehouse that the owners and operators allowed to become rodent infested and as a result rodents defecated on the bagged mustard seed. This picture shows a clump of mustard seed in one of the contaminated bags where the amount and penetration of rat urine was so great that the seed stuck together in inverted cones. This situation resulted in the seizure of 79,890 pounds of mustard seed, of which it was necessary to destroy 54,100 pounds as unfit for consumption.

You have heard me speak in the past, Mr. Chairman, about our problem of poisons in grain, and mercury-contaminated wheat or what we call pink wheat. Seed grain is often treated with a poisonous mercury fungicide. Sometimes the mercury-treated seed wheat accidentally, inadvertently, or maybe even intentionally gets mixed in with food grains. We examine grain shipments and seize any found contaminated. This exhibit shows what the untreated grain looks like, what the treated grain looks like, what the mixed grain looks like, and the laboratory examination for mercury-treated kernels. This exhibit, Mr. Chairman, was submitted by Minneapolis district which examined 5 million pounds of wheat last year for this type of contamination which resulted in the seizure of 1½ millions pounds. Mercury is a well-known poison and while it may have a well-known and indicated use, it isn't in food.

Mr. Chairman, this exhibit serves two purposes. One is it shows some of the problems in harvesting natural foods, in this case piñon nuts, due to the method of harvesting and the possibility of incorporating wild animal excreta in the harvested nuts. The second purpose of the exhibit is to show how we work with the industry to acquaint them with the requirements of the law and to help them harvest a legal product.

Pinion nuts are harvested mainly on Indian reservations and in many instances the harvesters follow the path of least resistance; that is, they scoop up the pinion nuts from holes and crevices, et cetera, where they have been stored by squirrels and other animals and in the process they scoop up the wild animal pellets which you will notice from the exhibit are about the same size as the pinion nuts and this unless the excreta is removed causes the product to be adulterated. It is the kernel of the pinion nut that is consumed and like other nuts this is obtained in many instances by cracking the nut in the teeth and you

can imagine the surprise of the eater when he cracks down on an excreta pellet rather than a pinion nut. You will note, Mr. Chairman, at the bottom of the exhibit is an educational leaflet issued by FDA to various Indian councils for circulation to their harvesters which advises them in "do" and "do not" instructions how to meet the sanitation requirements of the FDC act.

This exhibit, Mr. Chairman, is composited to illustrate the actions of the Food and Drug Administration in cooperation with State and local food and drug officials when disaster strikes. The photographs on the upper left-hand side show food being carried in rail cars damaged by wrecks, et cetera, resulting in mutilated and in many instances misbranded and adulterated foods. The lower photographs on the same side of the exhibit show what happened to food held in cold storage plants when ammonia lines broke resulting in ammonia contamination of the frozen foods in storage. On the right-hand side are exhibits of a firm in a fire where hundreds of cases of canned foods were damaged as a result of the fire and water and the lower photograph shows how some of this merchandise can be salvaged and reconditioned under supervision. Natural disasters, Mr. Chairman, are always with us, involving fire, hurricane, flood, tornado, et cetera, and require constant vigilance to assure that no adulterated and possibly dangerous food and drugs reach the consumer.

DAMAGED FRUIT

This exhibit, Mr. Chairman, the last one we have to show you and the committee, is in keeping with the weather conditions today. It shows what happens to oranges and the same could happen to other citrus fruit that is subjected to freezing weather. Last year many firms operating in the production of citrus fruits were hard hit by cold waves and freezing weather and this resulted in considerable damage to the fruit. A frozen orange is not usually dangerous to health but is seldom quality merchandise. The flavor of the fruit is injured by freezing and if the freeze damage is extensive the fruit becomes dry and unfit for food. The photographs on the lower left, Mr. Chairman, show normal oranges compared with the freeze-damaged fruit and the two photographs on the right-hand side show other freeze-damaged conditions. The upper photograph shows the hesperidin crystals that form on freeze-damaged oranges which starts an abnormal dehydration of the fruit. The lower photograph is an enlargement of the freeze damage. Due to close cooperation between FDA and State and local officials in the citrus growing areas and States, insofar as we know none of the freeze-damaged fruit entered the channels of interstate commerce.

This, Mr. Chairman, concludes the presentation of our exhibits this year. We appreciate your attention and interest.

Mr. FOGARTY. Thank you very much, Mr. Cardwell.

TUESDAY, FEBRUARY 26, 1963.

OFFICE OF EDUCATION

WITNESSES

FRANCIS KEPPEL, COMMISSIONER-DESIGNATE OF EDUCATION
 JOHN F. HUGHES, EXECUTIVE OFFICER
 JOHN J. PATEROS, FINANCIAL MANAGEMENT OFFICER
 MRS. GENEVIEVE O. DANE, BUDGET MANAGEMENT OFFICER
 RALPH C. M. FLYNT, ASSOCIATE COMMISSIONER FOR BUREAU OF
 EDUCATIONAL RESEARCH AND DEVELOPMENT
 DR. ERIC R. BABER, ASSISTANT COMMISSIONER FOR ELEMENTARY
 AND SECONDARY EDUCATION
 JOHN G. LORENZ, ACTING DIRECTOR, DIVISION OF CONTINUING
 EDUCATION AND CULTURAL AFFAIRS
 DR. FRANCIS A. J. IANNI, ACTING DIRECTOR, COOPERATIVE RE-
 SEARCH BRANCH, DIVISION OF EDUCATIONAL RESEARCH
 DR. ARTHUR L. HARRIS, ASSOCIATE COMMISSIONER FOR BUREAU
 OF EDUCATIONAL ASSISTANCE PROGRAMS
 B. ALDEN LILLYWHITE, DIRECTOR, TECHNICAL OPERATIONS
 BRANCH, DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY
 AFFECTED AREAS
 DR. WALTER M. ARNOLD, ASSISTANT COMMISSIONER FOR VOCA-
 TIONAL AND TECHNICAL EDUCATION
 DR. KENNETH MILDENBERGER, DIRECTOR, DIVISION OF COLLEGE
 AND UNIVERSITY ASSISTANCE
 DR. OLIVER J. CALDWELL, ASSOCIATE COMMISSIONER FOR BUREAU
 OF INTERNATIONAL EDUCATION
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

BACKGROUND OF COMMISSIONER

Mr. FOGARTY. The committee will come to order.

We have before us this afternoon the new Commissioner-Designate of Education, Mr. Francis Keppel.

We like to have the background of all new appointees who appear before the committee for the first time. We asked the same of the Secretary. So I think before you go ahead with your overall statement we would like to have you give us some of your background.

Mr. KEPPEL. Thank you, sir.

I was appointed Commissioner of Education on December 10, and the confirmation actually of my appointment by the Senate is before that body now.

Prior to my appointment as Commissioner, I served as dean of the Graduate School of Education at Harvard University from 1948 until December of last year, and before that I had served as assistant to the provost of the university since 1946. That was a post that was connected with the faculty of art and science at Harvard College.

Before the war and immediately after graduation from college, I spent a year as a student of sculpture in Rome between 1938 and 1939, and as assistant dean of Harvard College until 6 months before the war, when I came to the War Department in Washington as Secretary of what was then called the Joint Army and Navy

Committee on Welfare and Recreation. And following 3 years of that, Mr. Chairman, I went into the Army as an enlisted man in 1944 and was released from service in 1946.

This I think is a brief statement of my background.

Mr. FOGARTY. All right, go ahead.

GENERAL STATEMENT

Mr. KEPPEL. In my limited experience thus far in the position of Commissioner of Education, I have developed a deep sense of the importance of the work of the Office of Education on the problems of American education and the advances that are urgently needed to achieve higher standards of excellence in our schools and colleges and to broaden the base of educational opportunity for our people. It is perhaps fitting for a new Commissioner of Education to state for the record his strong belief in the fundamental soundness of our constitutional and legal provisions for education in the United States.

It is my strong conviction that the supervision and operation of the schools must remain close to the people. The concepts of State and local control of education are an established part of our culture and you may be assured that my beliefs are firmly in agreement with this pattern of responsibility. Moreover, the diversity of educational programs which is made possible by the American system is one of the true strengths of our society and one of the best assurances we have that new approaches and techniques will be afforded a full opportunity to prove their merit and acceptability.

FEDERAL ROLE IN EDUCATION

As you know, the various statutes and programs of the Federal Government involve education activities which are conducted by a number of Federal agencies. While the Office of Education has no direct authority over the education functions of the various Federal agencies, it has been assigned duties which involve the collection of information about Federal activities in education and the assessment of their impact. This activity is one which is of increasing interest both to the Congress and the administration.

I trust you are familiar with the study completed last fall by the Office of Education entitled "The Survey of Federal Activities in the Field of Education" which carries out a responsibility assigned to the Office of Education by the National Defense Education Act to assess the impact of Federal programs on higher education. It is also encouraging for me to report to you the evidence that we have found a fine spirit of cooperation among the heads of agencies which are engaged in programs of education. We look forward with interest to the pending report of the House Committee on Education and Labor which has made a special analysis of Federal education programs.

In summary, the Office of Education can play an important role in furthering the aims and objectives of all of our education agencies through the effective discharge of responsibilities placed upon it by the Congress. In order that it may accomplish this worthy purpose it is my belief that the Office of Education must be equipped to perform

its job well and must be strengthened in areas where it is unable to cope with the responsibilities that are placed upon it.

One of the principal means by which the American people are able to determine proper public policy in education is through the democratic processes of discussion and debate. Indispensable to this process is a healthy climate of criticism about education and its purposes, its strengths, and its weaknesses. Criticism of our American educational system and its institutions needs to be placed in proper perspective. May I assure the members of this committee that we welcome advice and criticism from all sources and I will do my best as Commissioner of Education to respond to such advice and criticism as objectively and constructively as possible. In this regard, much has been said about the need to upgrade the quality of our education programs and specifically to change the character of our American educational institutions including the Office of Education. The principal task that faces the Office of Education is to identify as accurately as possible the needs and weaknesses in American education, to propose ways and means for overcoming such needs and weaknesses, and to play its part in mobilizing the Nation's resources toward solutions and improvements.

CONTRIBUTIONS OF COMMITTEE

May I now turn to the matter of the relationships of the Office of Education to this committee. The Committee on Appropriations has established a distinguished record of service to American education through its consideration of the programs of the Office of Education. The committee has been responsible in the past for initiating many of the advances in the field of education which are now an established part of the program of the Office of Education. In particular, I was happy to note the comments of this committee in its report on the fiscal year 1956 appropriations which called for a strengthened Office of Education and requested the executive branch to move vigorously to establish the Office as an agency capable of providing national leadership to education.

Further, in the field of research on mentally retarded and other handicapped children this committee has been responsible for a movement in education which has already produced profound results in terms of our ability to provide adequate education opportunity to children (and adults) suffering from various physical handicaps. Two years ago the committee took action to establish a special appropriation for the cooperative research program of the Office of Education and continued its financial support of this important program.

In general, I am delighted to have learned in preparation for this hearing of the constructive treatment that this committee has afforded to the Office of Education in the past. I hope that during my term as Commissioner of Education the Office of Education will continue to merit your support.

STATISTICAL PROGRAM

The record also shows that the committee has voiced criticisms of the Office of Education on some aspects of its administration. Such

criticisms are of course welcome. The committee report for last year indicated that the Office of Education needs to improve its program for educational statistics particularly in terms of the timeliness of the release of educational information. I completely agree with the committee criticism and the need to make improvements in our statistical program. In this connection I call attention to the specific proposals advanced by the Office in the budget document to handle this phase of our work. It is our purpose to initiate improvements which can overcome the difficulty of dealing with the vast number of State and local public and private agencies in gathering information about education. I shall have more to say on this point in our consideration of the "Salaries and expenses" account.

We have had the excellent assistance during recent months of a special advisory committee which was appointed by my predecessor, Commissioner McMurrin, to appraise the effectiveness of our statistical program and to give advice on the directions of an improved educational statistics program. This group which was chaired by the president of the University of Minnesota, O. Meredith Wilson, has met on three occasions and will submit its report this spring.

In summation, may I assure the committee that we in the Office of Education are prepared to move forward vigorously to take the steps needed to improve our methods, to assure the accuracy of our information and to quicken the release of information to the Congress, the education profession and the public.

PROGRAMS FOR HANDICAPPED CHILDREN

Another point on which the committee has made observations concerns the progress of the Office of Education in recognizing the importance of programs for exceptional children and youth. May I emphasize here that all persons working in the field of education for handicapped youth are deeply indebted to the leadership that this committee has given to solving this serious problem. The Office of Education, I find, has been making progress in its own programs for handicapped children, and the legislative proposals which have been submitted to the Congress will make vitally needed improvements in the existing programs. May I acknowledge the personal leadership of the committee chairman by his sponsorship of legislation dealing with the problem and the great admiration which exists throughout the field of education for this leadership.

As to Office shortcomings in dealing with the administration of programs of mentally retarded children, my first concern is that we find the best possible leader in the field of education who may be available to direct this important work in the Office of Education. I have embarked on this search and am optimistic on the outcome. You may rest assured that there is no intention of subordinating this activity or placing it in an organization environment that will hamstring its work. We plan to broaden the program into areas it could serve more fully, to establish Office leadership and to give recognition to the importance of this area of education.

RESEARCH BUDGET

If I may turn now to some of the specifics of the Office of Education budget request, may I call attention to the budget request for the cooperative research program which amounts to \$17 million. This request reflects the rapid and almost explosive growth of interest in the cooperative research program and expresses the very great potential of immediate results for improving education. This request was made with careful consideration of the present status of research in the field of education. In this instance if I may speak from personal experience I know of no better use that the Federal Government could make of \$17 million to achieve immediate benefits to education—a sector of our economy which now spends some \$30 billions annually. The cooperative research program in education has progressed to the point where we are now ready for a significant advance and it is my hope and belief that the committee will agree with the specifics of the program we have laid before you.

NEW FOREIGN-LANGUAGE PROGRAM

A new item in the Office budget this year calls for \$2.5 million to make grants to American teachers and scholars to enhance their foreign-language competence by study and teaching experience abroad. The Mutual Educational and Cultural Exchange Act of 1961 which authorizes these grants also provides for the assignment of foreign teachers and scholars to American schools and colleges for the purpose of upgrading instructional programs here. We are thus presented with an excellent opportunity to improve domestic education in an area of weakness which had previously been identified by title VI of the National Defense Education Act. This new authority, which has been conferred on the Secretary of Health, Education, and Welfare by Executive Order 11034, makes possible some significant improvements in our present efforts to improve the language and area study competence of our people.

GRANT PROGRAMS

The various grant programs of the Office will be carried on in fiscal year 1964 as in the current year substantially without change except as new legislation may be enacted. Vocational education grants are included at the full authorization as are the amounts for colleges of agriculture and mechanic arts and library services. Budget estimates are before you to cover the permanent provisions of the laws for school assistance to federally affected areas and there is proposed for later transmission the full amounts needed to fund the expiring provisions, if these are extended for next year by the Congress. Only minor adjustments are called for in the requirements of the National Defense Education Act in 1964. Programs for the expansion of teaching of the mentally retarded and the deaf are treated somewhat differently although both are to be continued in our proposals. The regular budget provides \$1 million for the mentally retarded and the legislative budget contains \$1.5 million for the deaf which program otherwise expires in 1963.

As the President's message on education indicates, we are proposing legislation to strengthen many of the ongoing grant programs of the Office, plus the addition of new programs some of which have been previously proposed by the President. Among the programs to be strengthened are those dealing with vocational and technical education, library services, the various programs of the National Defense Education Act, the cooperative research program and those programs dealing with handicapped children.

SALARIES AND EXPENSES

Our request for salaries and expenses proposes to add some 138 positions to carry out important projects in education. These include work in educational statistics, cooperative research in education, and special projects dealing with financing higher education, serving disadvantaged children in our elementary and secondary schools, strengthening adult education and cultural affairs, and improving teacher education. In the field of international education we are requesting funds for positions to administer grants for foreign language and area studies, to conduct studies in foreign education systems, and to process requests for evaluating credentials of foreign students. Various additional central services are provided to meet workloads created by growing programs of the Office and a special request involves a much needed facility for the Office of Education—a library for its professional staff. More information will be presented when we discuss "Salaries and expenses, Office of Education."

Let me close these general remarks, Mr. Chairman, by thanking you and the members of the committee for your concern and attention to the programs and activities of the Office. I will be happy to answer any questions which you may have at this time, or to move on to specific items at your pleasure.

MR. FOGARTY. I think we will open it up for questions now, and then take up the specific appropriations.

FEDERAL ROLE IN EDUCATION

Mr. Keppel, in and out of Congress there are many people who think we should not be spending any money for a Federal department of education—many Members of Congress and others who are opposed to any sort of Federal aid for education. I do not happen to be one of them. They use the argument that this should be a local responsibility back in the cities and towns; and in many States the same argument is used by the State legislators that there should not be any State aid to local cities and towns, that that is a local responsibility. What is the best answer to that sort of argument?

MR. KEPPEL. Mr. Chairman, I have long felt that there are two lines of reasoning which seem to be very important in dealing with that argument.

The first one is, if I may use the phrase, a domestic argument; that is, within the continental United States and it is that it is best exemplified by the fact that one out of every five families moves their homes, sometimes across the street and sometimes across State boundaries every year. It means that there is a flow of population across local and State boundaries which is most obviously, and sometimes

tragically shown in the slums of the big cities as a result of great movements of population. I do not think that it is possible to expect purely local support to take care of problems that have a regional and national import.

Mr. Chairman, this is perhaps particularly true when there has resulted in the past 45 years such a major change in the pattern of American taxation, with the very heavy demand put on local real estate taxes. From this I draw the conclusion that the National Government, which can see the problem in a national frame, has had a responsibility to try to locate those types of problems which require, and I think I will use the word "demand," if I may, demand an approach that necessarily crosses local political or State subdivisions.

The second argument that I would pose, Mr. Chairman, comes ultimately from the position of the United States in relation to other nations of the world. I think there is no disagreement, of course, that the Federal Government has full responsibility for foreign policy. As we look upon our position nationally in the economic sense, in the sense of defense strength, we are forced to the conclusion that at the basis of our strength as a nation in this decade, in the decade just passed and in the decade to come, is the quality of the education of the American people at all levels, elementary, secondary, and higher. This imposes, it seems to me, a responsibility on all citizens to think of their educational system not alone today and not alone for the domestic argument I have just given, but also planning for a people with the level of training and education, the level of productivity in the economic sense that will meet future responsibilities put on us by our international situation.

These are the two arguments, Mr. Chairman, that have been slowly developing in my mind as I worked in this field for the last 15 years.

PROTECTION AGAINST CONTROLS IN FEDERAL PROGRAMS

Mr. FOGARTY. Another argument against any Federal help or State help to local communities is that when you provide Federal funds or State funds for local school districts, there is bound to be Federal control or State control, but to the best of my knowledge, the State aid programs in my own State have not resulted in State controls and in all of the educational programs that I know of in the Federal Government, to the best of my knowledge, we have never had any complaints of Federal control—in the National Defense Education Act, in Public Laws 874 and 815, vocational education, and so forth. This committee has not received any complaint about any Federal control of education because of these programs.

But what is the best argument against this attitude on the part of some people? Is it the experience I have had on this committee in 17 years during which I have not had any complaints.

Mr. KEPPEL. I was about to say, sir, you are much better qualified a person to answer the question than I am. I can only say that in the very short time—2 months—that I have been in office, there have been no complaints in any of these areas. But perhaps there is a more fundamental concern to which it is possible to speak.

I personally believe that the protection against controls—from Federal or other sources—basically lies in the strength of the individual

school or school system or college or university. If it is strong, if it is independent, it will not be pushed around. I therefore believe, Mr. Chairman, that it is a fundamental matter of policy. Any programs in which we engage should end by strengthening the financial intellectual or moral position of the individual institution as the best guarantee against the kind of undesirable controls which we have seen in other nations and which we want to avoid in this one.

This, I know, is a general kind of answer. I wonder if I could get specific for a moment.

I was dean of the graduate school in a private university, Harvard, and I have in mind two programs of the Federal Government which for reasons of my own university, rightly or wrongly—and I won't debate whether we were right or wrong—with which we disagreed. We were not forced to take them. There is no imposition placed upon us. We had free judgment as to whether to enter or not.

The two that I had in mind were the loan program on which the faculty had views with regard to affidavits and the second one had reference to a particular guidance and counseling program and the faculty, of which I was dean at the time, did not feel that the program fitted into the intents and purposes of the university program. It required a wrenching of our type of training in a different time period, in the particular time period in which we operated, and for a different purpose. We didn't have to apply, Mr. Chairman.

Mr. FOGARTY. But the problem has been resolved?

Mr. KEPPEL. Harvard has applied, if I may say so, with enthusiasm and the guidance problem has also changed. I am simply picking examples that I have lived and fought through as a representative of a private university over the last 10 years. I didn't feel any pressure at that time from Washington in my institution. We just made up our minds, right or wrong, and we were free. I will admit we were strong enough to be free and that's what I think all of us should be.

COLLEGE ENTRANCE STANDARDS

Mr. FOGARTY. What about the attitude of many of our schools of higher learning that they only want "A" students. The requirements for admission are quite high today in many of our schools, especially in the private institutions of higher learning, but also State universities. It is true in my own State. What about the "B" and "C" students? There are many examples of young people going through high school, not applying themselves, and then going on to great academic heights later.

What is your feeling in this matter?

Mr. KEPPEL. I look at it two ways. Perhaps first, as a father with a 16-year-old daughter who is already getting nervous as to whether she is going to get into college and second, as an educator.

To me, it is quite clear that we must never get into a situation in this country in which we cannot have what I think Winston Churchill has described as "late bloomers given a chance." We have a much larger group in the generation now about to enter college than we had, as you well know, 10 years ago. Furthermore, there has been a wholly inadequate expansion of colleges. This means, from my point of view, the very substantial expansion of higher education, so

that it becomes possible to include a broader group in a population. I think it is inevitable, Mr. Chairman, that if you have a limited number of places the academic mind is so constituted that it will by and large choose the boy or girl who has already run the academic race successfully in the secondary school. This is the way most of them operate, just instinctively and naturally. We have already seen it, as you pointed out, sir, in some colleges, which are very—may I use the word “fashionable”—and tremendously overapplied. And partly because of a fashion, the bright boys and girls are trying to get into these. This would apply equally, I think, to the University of California at Berkeley as it would to Princeton, Yale, Harvard, or Brown. We have already seen this happening, and one of the heartening things to me is that many of the admissions officers of these colleges, if I may quote my own, because I happen to know it best, are very worried. What bothers some of them is that if you do the selection solely on the rigid basis of straight “A” students or a fancy score on the college entrance examination board, or whatever other system is in use, you may end up with a very intelligent, very high class student body, but a student body without edges to it. A student body without some fellow who is very good in one field and perfectly terrible in another one is without style.

Mr. FOGARTY. I think Brown is going to embark on a different program this coming September—I am not positive about this—they are going to take a certain percentage of students with lower grades than they have been accepting.

Mr. KEPPEL. Yes, try to choose men that look as if they had vigor and edges.

Mr. FOGARTY. They are setting a percentage as I understand it.

Mr. KEPPEL. I know Mr. Keeney did. What I was trying to avoid was a word that is overused in higher education, the word “well-rounded.” That makes it sound a little soft to me. They may get a student body that is very good, but lacks excellence in a moral sense, or drive, which overshadows any purely intellectual measure. But I think the longrun answer, Mr. Chairman, to this question is that the strength of the society is not only in the “A” student in the high school. It is at other levels in the high school and the ultimate answer is an expansion of our system of higher education so that the automatic reaction of the colleges to choose a student will be tempered by reality.

ACCELERATED HIGH SCHOOL CLASSES

Mr. FOGARTY. What about the new systems that are put into effect in high schools where we have two classes—the accelerated class and the ordinary class or regular class. Is that good or what do you think about it?

Mr. KEPPEL. If rigidly applied, I have doubts about it. If a boy or girl is automatically put into the fast class in all subjects or automatically put into the medium class in all subjects—

Mr. FOGARTY. This is happening in some high schools.

Mr. KEPPEL. Yes. I don't think that is the way humans are put together. I want more flexibility. If I may say so, in mathe-

matics, I deserved to be in the slow class fairly well through secondary school. I don't mean, Mr. Chairman, that I can't add a budget or subtract. I mean that I am not good at advanced mathematics. I want the flexibility so that the student can go into the group where the whole pace fits, at their speed of running. On the other hand, to demand that all of the children be put in alphabetical order in classes without regard to their ability is as unfair to the slow kid as it is to the fast kid. In other words, what I am asking for is a flexible system.

Mr. FOGARTY. There is a problem that, as soon as they go into the accelerated class, they are bringing home eight and nine books every night and studying 3 or 4 hours to keep up, and the other child, maybe in the same family, bringing home two books and having a real good time and getting through school without any problems.

Mr. KEPPEL. I don't know which of the two children is more intelligent, Mr. Chairman. I have a daughter like that. There is a disadvantage in this, and it is not working out smoothly. I know that, sir.

Mr. FOGARTY. Then the teacher will say, "If you do not think the child can make it, or it is too tough, we will move him back." I do not think a child should be moved ahead if there is a chance of his having to go back, and he will go back under some of these programs. It just does not sound right to me.

Mr. KEPPEL. I won't argue that the schools are doing this properly all across the country, because I am sure they are not. I don't really think we know enough. We don't measure the children or get an estimate of the children accurately enough to be able to predict well. What I would urge strongly is that we maintain the internal flexibility so the children can move, and the young people can move at different speeds as they get ready for it. We all know the differences in rates of development.

DESIRABILITY OF A SEPARATE DEPARTMENT OF EDUCATION

Mr. FOGARTY. Mr. Keppel, at least two former Commissioners have recommended a separate Department of Education. Have you been here long enough to form any opinion?

Mr. KEPPEL. No, sir, I have not been here long enough, but I think I should say something else in this connection.

When I was offered the position of Commissioner of Education I took it with the complete realization that this was the position that I was coming to, and no implications that there would be any changes proposed by the administration or anyone else. I may say, I am having a tough enough time learning this job, so that I am not looking for anything more complicated at the moment.

But I wished only to emphasize that I don't feel I have been here long enough to have any sense of internal governmental problems and only to emphasize the basis on which I took the job.

ADMINISTRATION'S PROPOSED EDUCATION LEGISLATION

Mr. FOGARTY. Do you fully support all parts of the administration's education bill?

Mr. KEPPEL. Yes, sir, and I had a chance to get into that.

Mr. FOGARTY. You have already appeared before the legislative committee?

Mr. KEPPEL. I have.

Mr. FOGARTY. How do you think you fared there?

Mr. KEPPEL. I think I am the wrong one to ask that one, sir. I managed to get some arguments in.

Mr. FOGARTY. Do you think it goes far enough?

Mr. KEPPEL. If anything, I would personally have preferred to go further. That is, I have a sense of urgency about the problems of the schools—elementary through the graduate schools—a kind of gnawing sense of urgency that I just want to push hard and faster. But this did seem to me to be a basically very sound piece of legislation.

Mr. FOGARTY. What do you think about the Delaney bill?

Mr. KEPPEL. In the way of handling the funds to the States? I have, of course, read it. I think the proposal we have before the Congress meets educational objectives in a more direct way, sir, with regard to hitting problems of salaries, the raising of the top level of salaries for recruitment and retention purposes, with regard to grants for very special kinds of problems in migrant workers and in the big cities. I tend to feel strongly on the importance of those provisions.

ATTITUDE OF NEA

Mr. FOGARTY. What is the attitude of the NEA on this legislation that the administration proposes?

Mr. KEPPEL. The representative of the NEA who testified before the House Committee on Education and Labor, Mr. Wyatt, said that he supported H.R. 3000 in its present form, flatly. He was then questioned as to whether some of the provisions in it, particularly forms of aid through grants to libraries, and through the National Science Foundation, to private as well as public institutions of higher education followed the NEA policy as the members of the committee understood that policy. Mr. Wyatt's response to this was that if his group had been drafting the legislation they would not have drafted it this way, but that they were prepared to support it in this form. It was not their idea of the perfect way to do it. He was questioned fairly closely and as I recall reading the testimony, held to that position.

Mr. FOGARTY. Is there any strong opposition from the State school officers?

Mr. KEPPEL. As I recall, Mr. Chairman, the testimony of Edgar Fuller who spoke on their behalf. I think it would not be proper to say that there was strong opposition. As in the testimony of Mr. Wyatt, Mr. Fuller said that there were parts of this overall program that they would have liked to be different, but they supported the bill.

I think it would not be accurate to say there was strong opposition. In fact, there was support.

DESIRABILITY OF OMNIBUS APPROACH

Mr. FOGARTY. What do you think of the omnibus approach? Many people are saying, "Well, you threw in everything you could think of," and so they take a negative attitude. The general opinion up here seems to be that it will never be passed the way it was submitted.

Mr. KEPPEL. Obviously——

Mr. FOGARTY. But parts of it will. There are many who are interested in the library program that wish that that might be in a separate bill. If it should be divided, do you think the library part would be in with the section for aid to higher education?

Mr. KEPPEL. I must say that I am obviously not as competent as you gentlemen are on the political chances of this. I would prefer to answer, if I may, at the start, in the educational context. I heartily believe that the comprehensive approach is wise from an educational point of view because the various parts of this program interlock and intermesh.

For example, the aspect of the bill which proposes quality programs to raise quality by special training in one way or another is intimately related to the program proposed for the support of teachers' salaries and for grants by the States to cities for the special slum areas or elsewhere. The expansion of higher education is a necessary part to provide the numbers of teachers needed for the secondary schools. We have used the image of a seamless web here and I mean it. When it comes more specifically to your question, Mr. Chairman, about what may happen if it were chopped up into various parts, I think I can say the administration, to the extent that I can speak for it, is determined to try to keep the whole picture intact to be studied by the Congress as long as the administration has anything to say about it. Now, obviously, the Congress is going to work its will on it and how they divide it is way beyond my competence.

Mr. FOGARTY. You do not know the answer to another question, either. You do not know whether the administration is going to change its mind in the next couple of months.

I read in the paper this morning that the President announced yesterday or the day before that he is willing to take a half a loaf in his tax bill; that the tax cut is absolutely necessary, but maybe tax reform can go on to some other time. He may do the same thing with education.

Mr. KEPPEL. Maybe so, but I will argue against it. As an educator I think I must.

Mr. FOGARTY. Then, when the decision is made, of course you are on the same team, are you not?

Mr. KEPPEL. Yes, sir.

AID TO LIBRARIES

Mr. FOGARTY. Now, if that should happen do you think libraries should be in a separate bill or ought to go along with the higher education section? The reason that I am asking is that I am often asked this question.

Mr. KEPPEL. There are two parts to the library proposal in the bill. One of them has to do with the expansion and strengthening of college and university libraries which seems to be intimately connected with the whole notion of the growth and raising of the quality of higher education. There is, as you know, a second proposal which is more directly concerned with the community libraries and broadening from the purely rural restriction now placed on it to the cities. It may be that these two require separate consideration under those two circumstances.

Mr. FOGARTY. What about the construction of new libraries?

Mr. KEPPEL. I am going to check my memory with my colleagues, Mr. Chairman. Let me state it. My understanding was that on the college library side it provides for both construction and for operations.

Mr. FOGARTY. I should know myself, but I am not sure. It is both, I believe.

COMPARATIVE STATUS OF AMERICAN EDUCATION

Mr. FOGARTY. Mr. Keppel, I took up this same matter with Dr. Derthick and Dr. McMurrin. Four or five years ago we had a full committee meeting to hear a report from Admiral Rickover. He had just returned from Russia where he had been on an inspection trip of some kind with the then Vice President Nixon, and I thought he was going to talk about atomic submarines or something in that general area, but the whole 2 or 3 hours was taken up by a lecture by Admiral Rickover on education in Russia compared with this country. What he had to say about your Office of Education—there was not much left to be said. There was no Office after he got through with it, and then he went on to describe what was going on in Russia and made the point that they were far ahead of us. So when Dr. Derthick came before our committee the following February we gave him the opportunity to submit his views for the record, and we did the same thing with Dr. McMurrin. Admiral Rickover has made several talks since that time and has again spoken on education before the Appropriations Committee.

We would like to have your views on the status of American education and how we stand with the rest of the world. If you want to take a look at what they had to say, and give us your views we would appreciate it.

Mr. KEPPEL. I would be grateful for this.

Mr. FOGARTY. You can submit it at this point in the record when you have had a chance to go into it.

Mr. KEPPEL. Thank you, Mr. Chairman, I am grateful to you.
(The statement follows:)

I am grateful for the chairman's suggestion that I submit a statement to the committee commenting on the testimony presented to it in recent years by Adm. H. G. Rickover. As he well said (p. 103 of the hearings before the Committee on Appropriations of the 87th Cong., 2d sess.): "Effective action to improve American education will not come until public consensus demands it." His testimony before the committee, and his several books and articles, have made a major contribution toward focusing public attention on a vital issue, and his proposals for action by their very nature have kept the national interest centered on vital problems that demand solution.

Since my predecessors in office, Drs. Lawrence G. Derthick and Sterling M. McMurrin, commented upon earlier testimony by Admiral Rickover, I shall refer particularly to his testimony of May 16, 1962, to the Committee on Appropriations in which he gave special attention to "what we can learn from England," and to his recently published book on "Swiss Schools and Ours."

Let me first say that I heartily agree with his central concerns: that American education is not as strong as it can and must be for the sake of the national security and well-being. He is abundantly right that we can and should learn from others. I do not agree with him on some issues, however, largely, I think, because I have a somewhat different interpretation of American and British social and intellectual history of the last half century, and a different estimate of the state of mind and attitude of the contemporary American educator. These differences may affect my analysis of how reforms should be undertaken, but

they do not affect my agreement with him that we must raise our academic standards and raise them now.

"The greatest of faults," wrote Carlyle, "is to be conscious of none." I have the impression that many—though not enough—of our schools and colleges are aware of the urgent need, as never before in history, to improve their educational efforts. One cannot visit our classrooms and talk with our teachers without realizing that American education is in ferment and that winds of change are being generated by unprecedented problems. This is an exciting—as well as dangerous—time to be alive, no less in education than in politics, international relations, or nuclear science.

It is, therefore, in the spirit of discussion rather than debate that I wish to respond to the invitation of the chairman of the subcommittee of the Committee on Appropriations, Mr. Fogarty, to comment upon Admiral Rickover's testimony.

Let me make it clear at the outset that, far from associating myself with those who have characterized Admiral Rickover's articulate commentary upon American education as "destructive" and "unfortunate," I welcome the admiral's research and publications in comparative education. He has stimulated constructive and fortunate developments and, as I have already indicated, I believe American education is well advised to contemplate and act promptly upon his central message. This message, as I understand it, is that America must direct its educational effort to the fullest intellectual development of each student. Other values are important, but intellectual excellence is critical and only the schools can adequately serve that value.

As I suggested earlier, I cannot subscribe to the full range of the admiral's criticisms of the past, nor am I sure that the particular reforms he prescribes are in each case necessarily the most effective way to achieve excellence in every aspect of our complex and heterogeneous educational enterprise.

As a former student of English education, for example, I agree with his conclusion that some of their educational practices are at best incomplete guidelines to the solution of a host of problems besetting our American school systems, problems which in many instances have no English counterpart. Thus, I tend to place maximum emphasis upon Admiral Rickover's objectives, rather than upon his exact prescriptions.

Certainly all of us in education must be grateful for the admiral's insistence that schools serve intellectual rather than custodial ends; that emphasis on basic "booklearning" is the highest priority, to which other social and psychological needs must adjust themselves; that laymen, and particularly "controversial nonconformers," have stakes in the schools no less than professional educators and have a major contribution to make; and that effective democracy requires not merely equal ability to go to school but also "equal ability to learn" at the fastest pace of which the individual is capable. He rightly insists that we must keep our eye on the techniques that are used in good school systems. Admiral Rickover's timely reminders that classroom teaching is the heart of the educational process deserve public attention. He is equally correct when he says that "a teacher is too valuable a national asset to be diverted to chores that someone else can do." Nor does quality education for all mean an identical education for every child. He is clearly right in pointing out that "if we adult Americans are not intelligent enough to figure out a way to improve American education, we cannot hope that our children will be intelligent enough to keep our Nation strong and prosperous and capable of living up to its task of leading the free world."

It has often been pointed out that America lacks standards by which it can measure its educational results, and stimulate its students to greater accomplishment. One means to solve this national problem is to work out ways of taking samples of the achievement of students at critical points in their schooling. With this information it becomes possible to plan the needed reform in a precise and pinpointed way. One such critical point, of course, is toward the end of elementary education or in early secondary school, and another toward the end of the secondary school. A partial step, therefore, in an overall plan, would be some kind of voluntary examination by which parents and students alike, as well as the schools themselves, could assess their position. In this connection, pages 118 and following and 159 and following of the admiral's testimony will be of particular interest to the committee.

We are all aware of the lack of adequate qualitative measurements of the output of our schools. While we applaud individual instances of obvious academic excellence and decry equally obvious failures of educational achieve-

ment, we have no reliable means by which to judge the vast output of some 33,000 heterogeneous school districts. With a fifth of our population moving each year, often into quite differing school situations, and with the mounting demands of industry, business and government not only for better educated men and women, but also for more predictably well trained employees, we need, as never before, national guidelines to evaluate our manpower in all its strengths and weaknesses.

Given our now popular habit of referring to educated manpower as "our basic national resource," the simple fact is that we know infinitely more about steel production in Pittsburgh, garment prices in Dallas stores, or beef raising in Iowa than we do about the level of English or American history proficiency anywhere in the Union. We cannot be satisfied with the bits and pieces of our knowledge concerning American educational attainment, yet we have no present mechanism remotely comparable to the national guidelines of the Bureau of Labor Statistics or the Bureau of Standards which would enable us merely to suggest levels of proficiency for our autonomous school districts and colleges. As a result, self-criticism is not as acute nor levels of aspiration as high as true excellence demands. Indeed, complacency and smugness may flourish in the absence of that sense of competition which is as vital to healthy education as it is in trade and industry. Thus, in principle, I concur in Admiral Rickover's suggestion that we can learn from English and continental educational experience in these matters.

My years as an educational administrator, however, have made me wary of precipitous moves. Careful planning is needed, not as a means of avoiding action—for I quite agree with Admiral Rickover that too often "study" of reform means a substitute for reform—but as a deliberate vehicle for promoting wise action. "Every cause," observed Spencer, "produces more than one effect." In our diverse educational society there might be unintended consequences emerging from the institution of a series of national academic standards of the sort proposed by Admiral Rickover, even though they are on a voluntary basis. It is these consequences which must be anticipated and their implications weighed as well as our knowledge will permit. Therefore, I intend to seek scholarly and expert advice on the desirability of developing voluntary national academic standards.

No single reform, of course, will solve all the myriad problems confronting American education today. While we shall strive first and foremost for intellectual excellence in our schools, we must also deal simultaneously with other challenges which must be met to insure the basic health of our schools and colleges, and to meet the needs of society. An example is the reform of our vocational and technical education which is demanded by the changing nature of the economy, and which bears so close a relationship to the problems of unemployment.

We must strive to meet the single largest problem confronting any school administrator: how to recruit and retain a teaching staff academically so well prepared that they can help our students reach the highest levels of intellectual self-expression. With a teacher turnover rate including transfers, of approximately 18 percent annually, and with growing competition from many expanding professions for the output of our colleges, it will be a hard struggle merely to attract sufficient quantities of teaching manpower, to say nothing of the quality of young teachers that our schools should recruit.

We shall have to compete, moreover, for increasingly scarce educational tax dollars in our States and local communities; realizing that other mounting demands of an urban and technological society—public health, mass transportation, urban renewal, pollution control—will require unprecedented public expenditures.

For this reason, I hope that the committee will pay special attention to Admiral Rickover's conclusion on the proper role of the Federal Government, to be found on page 109 and following.

We shall have to come to terms with revolutionary advances in the technology of teaching with all that these advances imply for the traditional student-teacher relationship. Mark Hopkins' student on the end of the log has been superseded as the principal setting for instruction. Television, programmed instruction, audiovisual devices all have contributions to offer today's classroom in the improvement of American education; except at our ultimately greater expense and disadvantage we must not overlook their full potential. While I agree that in the past a great many so-called research studies in education have not added

much to man's knowledge, I see no reason why future studies by first-class scholars and scientists cannot do better. The Office of Education's record in recent years through the cooperative research program is proof of this point. We need more good research and demonstration.

We shall have to devise solutions for the mounting costs of both public and private higher education. As Admiral Rickover has so cogently stated (p. 162) "Higher education has become so expensive that not even middle-class parents can now pay for it, still less the mass of our less affluent citizens. Unless we make up our minds to pay the cost of the long education required of professionals, we shall continue to have serious shortages."

And we shall need to narrow the gap between the development of effective educational practices under laboratory conditions and their widespread adoption in the classrooms of the Nation. Instead of the present 25-50 year cultural lag between educational research and educational practice, we must stimulate our schools and colleges to develop the innovative set of mind which happily characterizes Admiral Rickover's profession of nuclear engineering.

And, of course, this brief listing does not exhaust the catalog of problems confronting today's educational administration. We could ask, "From whence shall our colleges and universities derive the \$23 billion needed for physical facilities alone in the current decade?" Or "How shall we best help the approximately 80 percent of our children who will not complete a college education to prepare for the unprecedented demands of the late 20th century?"

The point I am making, then, is simply that we cannot afford to limit our attention solely to one set of problems and to one set of solutions, no matter how attractive they may be. While we grant that the proper measurement of an educational system is the quality of its products, and that this quality is to be evaluated primarily in terms of intellectual excellence, we must advance comprehensively, simultaneously on every educational front if our efforts are to be rewarded with success.

While we must demand nothing but the finest from our schools, we must also demand the finest for our schools. It is idle to lay all of the failings of our society at the door of our schools when so much of society denigrates the very importance of good schools.

Criticism of the schools is more than a healthy sign; it is essential to progress. I take it that our task as public servants in both the executive and legislative branches of the Federal Government is to place criticism in harness, not to allow it to stall improvement, but rather to enable criticism to serve, in Matthew Arnold's words, "the best that is known and thought in the world." For this reason I am grateful for Admiral Rickover's interest, and I hope that he will continue to help in creating the sense of urgency that we so desperately need if American education is to meet its responsibilities.

SURVEY OF VOCATIONAL EDUCATION PROGRAMS

Mr. FOGARTY. Tell us about the vocational education survey?

Mr. KEPPEL. This was a committee of which Superintendent Willis, of Chicago, was chairman. He has submitted the report which must be very near to the point of being delivered to you. What you have before you is a summary.

Mr. FOGARTY. This just came in. I saw it on my desk this morning.

Mr. KEPPEL. The report is completed. I judge it is being printed now. I think what you have there is page proofs of it.

Mr. FOGARTY. Is it a unanimous report?

Mr. KEPPEL. As far as I know it was. It was submitted just before I came into office. Mr. Flint, was it unanimous?

Dr. ARNOLD. Yes. There was no minority report expressed.

Mr. KEPPEL. We have been pressing to have it printed because we thought it would be useful for the committee. I am sorry it wasn't in bound form.

Mr. FOGARTY. There is not much this committee can do about the report anyway because we have been supporting the full amount of the authorization in the program, have we not?

Mr. KEPPEL. Yes, sir.

Mr. FOGARTY. The proper legislative committee has to take action before we can expand it.

Mr. KEPPEL. Mr. Chairman, for the committee's information, the report is quite directly reflected in the proposed legislation that is before the Congress now. The difference is more a matter of the amount proposed than the categories.

Mr. FOGARTY. Is it \$34 million per year that we are spending now?

Mr. HUGHES. \$34 million in the regular appropriation account and an additional \$15 million in the National Defense Education Act under title VIII. Then of course there are \$7.1 million in the permanent appropriation for vocational education.

Mr. FOGARTY. What are the figures in the report?

Mr. KEPPEL. The figures proposed appear on page 22 of this summary report. They propose figures obviously a good deal higher than ours in the first year—the Willis committee proposed \$400 million broken down into five categories. The proposal in H.R. 3000 for the first year appropriation is not that much, but rather \$73 million as compared to the \$400 million that you would see at the bottom of page 22 if you added those categories. But I should emphasize, sir, that it follows the categories of the Willis panel proposal.

EDUCATIONAL TELEVISION

Mr. FOGARTY. What about the educational television facilities? Do I understand that program is under the Secretary's office?

Mr. KEPPEL. Mr. Kelly can describe it.

Mr. KELLY. When the Congress enacted the statute, they specifically provided in the conference report that it shouldn't be intermingled with any other educational program. The Secretary in analyzing this, and not wishing to build up a large staff in the Secretary's office, decided to organize it so that he would maintain liaison with the Federal Communications Commission and maintain control over the issuance of regulations and review and approve policy. He did delegate to the Commissioner of Education the responsibility for actually processing applications, for carrying on the liaison with the State agencies for educational television, and for approving grants and disbursing the funds. The supplemental appropriation before the Congress now is for \$2 million for 1963 to initiate the program on this basis.

LETTER FROM COMMISSIONER ROBINSON OF RHODE ISLAND

Mr. FOGARTY. I know my State has been ready for some time. I have received a letter about it from the Acting Commissioner Mr. William Robinson who became the Commissioner last week.

So there isn't anything that they can do until the supplemental appropriation is passed?

Mr. KELLY. The legislation was enacted you recall at the last session. We brought up the supplemental appropriation to Congress toward the end of the last session, and it failed. So that it is before Congress now. There are no funds.

Mr. FOGARTY. He said "once the guidelines, related to this disbursement of funds authorized by the act, are released, I am confident that

the State board of education will take steps immediately to implement this plan."

Mr. KELLY. We have had some people both in the Office of Education and the Secretary's office working on this so we are prepared as soon as we have funds to issue the policies and regulations with respect to it and to issue application forms, but we are not at liberty now to issue them because there are no funds available to carry out the program.

Mr. FOGARTY. I will put his letter in the record.

(The letter follows:)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS,
DEPARTMENT OF EDUCATION,
Providence, R.I., February 13, 1963.

Representative JOHN E. FOGARTY,
*House Office Building,
Washington, D.C.*

DEAR REPRESENTATIVE: On October 8, 1962, I addressed a message to you, urging your support for appropriations under the Educational Television Facilities Act for the current fiscal year. I am certain that you appreciate the urgency of this matter, and that you will give it all due consideration. We have been moving along with our plans in this area, and I am sure that you would like to know about them.

The State board of education, which has applied for a construction permit on the only educational television channel allocation in Rhode Island, channel 36, will shortly receive the full report of the Rhode Island Advisory Committee on Educational Television. This committee has made an extensive study of installation and operating costs and of programing needs for in-school and out-of-school viewing.

The State board of education has filed a letter with the U.S. Office of Health, Education, and Welfare, outlining its plans to establish a station in Rhode Island. I am enclosing for your information a copy of their preliminary report, "A Study of Installation and Operating Costs for an Educational Television Station in Rhode Island." Once the guidelines, related to this disbursement of funds authorized by the act, are released, I am confident that the State board of education will take steps immediately to implement this plan.

Trusting that this information will be helpful to you, and with sincere thanks for your cooperation in this matter, I am

Sincerely,

WILLIAM ROBINSON,
Acting Commissioner of Education.

COOPERATIVE RESEARCH PROGRAM

Mr. FOGARTY. The cooperative research program has been quite a popular program, hasn't it?

Mr. KEPPEL. Yes.

Mr. FOGARTY. \$17 million is in the budget this year?

Mr. KEPPEL. Yes.

Mr. FOGARTY. Do you think that is enough? Some of the people in higher education are suggesting \$25 million.

Mr. KEPPEL. Mr. Chairman, I can speak to this one with some personal knowledge because in another capacity I appeared before the committee urging expansion of this program.

I had enough experience with it as the dean of the graduate school to realize its extreme importance. I believe that the \$17 million which is proposed before you in this budget is a wise figure for fiscal 1964. I went over this personally and reviewed the differences that existed between the suggestion that I have seen from Dean Stiles

and others which would amount to \$25 million compared to the \$17 million proposed. It was my judgment, Mr. Chairman, a judgment that was necessarily based on experience prior to coming to Washington, that the program proposed under the \$17 million was one we could mount with high quality in this coming year. Some of the particular elements that were included in the \$25 million might more wisely be put over for a year or so.

I will be delighted when the time comes to go into details about the differences between these two allocations.

Mr. FOGARTY. You wouldn't be disappointed if Congress appropriated \$25 million instead of \$17 million?

Mr. KEPPEL. As the dean of a graduate school who spent time getting money, I have nothing but enthusiasm for that. No, sir; I wouldn't be. This is the best judgment I felt able to make at the time the budget was going in.

Mr. FOGARTY. Mr. Denton?

MIGRANT WORKERS

Mr. DENTON. Does your program include anything for migratory workers, education for migratory workers?

Mr. KEPPEL. In the budget that is before you, I believe some of the research programs can be of value there. In the proposal before the Congress under H.R. 3000, the proposed allocations to States do specifically provide for grant programs which could be directed to that end.

Mr. DENTON. Other than research though, there is nothing in your present budget?

Mr. KEPPEL. I think the answer is "No," sir.

COLLEGE ENTRANCE REQUIREMENTS

Mr. DENTON. Now, I was interested in your statement about selection of students for higher education. I know at a law school, they maintained a policy of failing about half of their class the first year. They thought that was extremely wasteful. And they established a policy that they would select people so that they wouldn't have these failings.

What do you thing about that policy?

Mr. KEPPEL. There is a sound economic reason, I think, Mr. Denton, for feeling that if you have a competitive situation that it can't be said the public interest is to have a higher ratio of failure if you could have chosen others who could have gone through and entered the professions.

I think there is a reasonably good argument provided you know how to select well enough.

Mr. DENTON. That's what I mean. In those that failed I saw a great many who made high grades in college and I just wonder what kind of system of selection you would use to select those that would pass and those who wouldn't if it wasn't on the grade they made.

Mr. KEPPEL. In recent years, if I may use the Harvard Law School as an example, in addition to the sheer grade made in prior education, the legal admissions examination, I don't have the right title, but I

have the right idea, has been added to the requirements for applying to the law school as another way of assessing the individual.

Mr. DENTON. What was that beside the grade?

Mr. KEPPEL. It is a legal admissions test that was developed by the college entrance examinations board that is used by a number of law schools.

Mr. DENTON. Is it a psychiatric test?

Mr. KEPPEL. A legal reasoning test.

Mr. KELLY. It is a form of aptitude test.

Mr. KEPPEL. It is an aptitude test but not psychiatric in any sense. It is a kind of test of the capacity of the individual to handle the type of material that is so widely used in law schools.

I am told by my friends in the law schools that this has helped them, I think.

Mr. DENTON. Is it pretty successful—this aptitude test?

Mr. KEPPEL. Yes, sir, I can quote the director of admissions at the Harvard Law School anyway to that effect. But I must emphasize, Mr. Denton, I would not for a moment argue that educators are anywhere near the final answer on this process of selection on this business, if I may call it that, on the selection of individuals, and it is for that reason that some of us are deeply sympathetic with President Keeney of Brown or the president of Amherst College in their wish to keep elbowroom to be able to take what would be described in the academic world as the "academic risk," in the sense of their academic capacity, to avoid getting bound too rigidly by a particular score and a particular test.

FUTURE OF PRIVATELY ENDOWED COLLEGES

Mr. DENTON. I don't know whether this should come before you today, but one thing that I am interested in is privately endowed colleges and universities.

The thing that worries me is, how are they going to keep pace with the increased number of students that want to go to college and with the higher cost of everything.

Do you think they can survive this great increase in expense?

Mr. KEPPEL. I am confident they can. But I should extend my answer a little, I think, Mr. Denton, to emphasize that it is probable that the private institutions in this period of growth will not expand at the same rate as the public institutions. Therefore, let us say 10 years from now, the proportion of students who are attending private institutions of the whole group will be smaller, the percentage will be smaller than it is now.

To go back to the question of the continued life and strength of the private institutions, and perhaps I am subject to being labeled as a witness with special interests here because I have spent my life in one, I have been impressed with the extent to which it is possible for the private institutions to continue to obtain private gifts in the last 10 or 15 years with high taxes and all the rest. It is a difficult job to do, Mr. Denton, but they have done it. It is one of the reasons why I am an enthusiast for the program which would involve Government grants for libraries and laboratories.

Mr. DENTON. As far as Harvard is concerned, they have the ability to raise money and the private endowments that probably no other school does have.

The college I went to seems to have the ability to raise a good deal of money, but I can think of a great many privately endowed schools that are going to have difficulty with this problem.

Mr. KEPPEL. I am sure they will have difficulty, sir, with this problem of raising private funds—and I come from having spent 14 years at it.

EFFECT OF FEDERAL GRANTS TO COLLEGES

Mr. DENTON. That is why you say you are in favor of grants to colleges and institutions of higher learning.

Do you think that will subject them to Government control in any way?

Mr. KEPPEL. I don't see any reason for that, sir. The particular proposal that is before the Congress is for grants for the construction of buildings, of helping to purchase books, for libraries, and grants for construction and equipment of laboratories through the National Science Foundation.

I do not see control going along with that.

Mr. DENTON. You do not feel that Federal aid to private colleges and universities would lead to Government control of these institutions?

Mr. KEPPEL. Mr. Denton, I do not feel that such aid would lead to control. I think the past record shows that it has not and I don't see any reason to assume that it would.

Mr. DENTON. Does Harvard University receive a good deal of money from national defense education and other sources?

Mr. KEPPEL. It receives approximately 25 percent of its total annual expenditures from sources which include the National Defense Education Act, the National Institutes of Health and a variety of sources, the Atomic Energy Commission, and so forth.

Mr. DENTON. I think that's all.

Mr. FOGARTY. Mr. Lesinski.

Mr. LESINSKI. I am going to get back to some of the questions that were asked here before.

Mr. Keppel, you got the right answers, but I think your thinking is biased by past experiences.

I would say that although experts are important, they tend to follow a certain trend without thinking in terms of the reality of life, without knowing what is going on around them.

They might build beautiful monuments and so forth but they are away from everyday living.

FEDERAL GOVERNMENT CONTROLS

And this question of whether Government versus private or Government control of universities and schools, I think, is along that very line. You take, for instance, not allowing more than 5 percent of your gross income for donations, can hurt you very severely and hurt all schools severely and all private institutions. You have got to recognize this, that costs have increased considerably since 1945 when

you had a \$600 deduction, which is still the deduction today, it is making it harder and harder for families to afford private schools or local school taxes.

Up to now, true, I have to agree with your statement that the record shows that there is no Government control. But the tendency among people is to seek more and more Government aid. The more Government aid you have, the more control there shall be in the end because of the fact that the Government will have to control in order to economize, which is very essential.

DIVERSIFIED EDUCATIONAL SYSTEM

Now, even on this study that you have presented to us, chapter 1, page 65, it compares a human being with a machine.

It says:

In the physical world a product is measured against standards which can be rigidly established—the breaking strength of a structural beam, the horsepower developed by an engine, the yield of an acre of corn, the attainment of a calculated orbit by a satellite—

meaning the fact that all of us are supposed to be identical. You, yourself, have expressed the fact that some of us mature later. We have different physical qualities, mental qualities.

This is true, for the diversified system in America is good, and it is better for all of us. For instance, we have the experience a couple of years ago, the hullabaloo about Russia's putting out 10,000 engineers a year. Most of them are not worth much. It was mass education and not the education of individuals. Therefore, I am fearful that as in Germany and other countries, where you have the state-owned schools; and where the Government did take over and directed all education as in Russia today, and which could be possibly at a later date in America.

STUDIES OF EDUCATIONAL SYSTEMS

You mentioned here on page 9, about conducting studies of education systems. Hasn't that been studied to death already?

As a matter of fact, the Chair mentioned Rickover and others. Isn't there enough information on that at the present time?

Mr. KEPPEL. On your last point, Mr. Lesinski, I should say no, for the reason that developments in most foreign countries indicate that they are undergoing quite rapid change. In cases such as England, France, and Russia, they are undergoing shifts in fundamental policies, and I think it is to the benefit, perhaps I should say the necessity, of the United States to keep up with them. There are fast changes. I myself have taken part in them in west Africa and Chile for example.

But with regard to your earlier point, Mr. Lesinski, of course, I understand the concern that you have. I think any American would be deeply concerned about how we can keep the diversity, the blessed diversity of our educational systems with institutions, with sometimes different intent, different specializations as between, let's say, physics on the one side and medical research on the other.

FEDERAL AID TO ELEMENTARY AND SECONDARY SCHOOLS

One basic, and to me infinitely important factor in this is a fundamental decision as to how the Federal Government relates itself to these institutions at the elementary and secondary school levels through State plans and through State and local responsibilities.

If it ever gets to the stage that the Commissioner of Education signs a document saying that such and such shall be done in this school, then the Lord help us.

The whole plan that is proposed to the Congress for the elementary and secondary schools is absolutely based on a State plan. The Commissioner, if that State plan meets what the Congress wishes to have done, is going to approve it. I think this is a very fundamental point, sir.

There are those who would say this may not be the most efficient way of operating, that there may be some States that are slower in development, important developments, than others. I have no doubt that that will be true. I have no doubt that there will be a somewhat uneven level of development.

If State plans in this legislation were to pass, I regard that, sir, as a very cheap price to pay for the preservation of the powers of initiative and direction in the States and localities in the elementary and secondary schools and I regard it as an essential bulwark against the dangers to which you speak.

MR. LESINSKI. I thought I had a perfect answer to financing lower education and high school education. I made a prepared statement on it and getting to the form of the bill, I found out I wasn't right after all.

The intent of it was that the local school boards should make every effort possible for construction, teachers pay, and so forth, and if the tax base was too low, then the Federal Government would step in.

Well, it sounded perfect to me but then I got into the actual mechanics of it, I found the Federal Government would be dictating to the school board what they have to do.

MR. KEPPEL. In what way?

MR. LESINSKI. They would have to met certain criteria in order to participate.

MR. KEPPEL. Criteria of ability to pay?

MR. LESINSKI. Right.

You would be forcing them to take action—because of the fact that a lot of school superintendents are afraid to go to the people to ask for additional funds and so forth for their taxes or else they haven't got the ability and, therefore, they go to the Federal Government for help.

A lot of school board members seek help from the Federal Government so that they won't have to make the effort back home. That's what I don't like.

MR. KEPPEL. I recognize as we all do the dangers involved here. One of the aspects proposed in H.R. 3000 is that if funds were appropriated and allocated for the several purposes stated, including re-placements for buildings that represent fire and health hazards, or to relieve overcrowding, then the State plans should be made public for 3 months before they are sent forward to Washington.

I would hope myself that this provision, Mr. Lesinski, would bring out the vigorous activities in each State that would help to meet the point that you raise.

Now, of course, I recognize the force of your arguments.

Mr. LESINSKI. My district got about a third of the funds in the State of Michigan because it is an impacted area. That's all, Mr. Chairman.

Mr. FOGARTY. Ever since the enactment of Public Laws 815 and 874 this committee has never had any complaint of Federal control of the educational program in any school district in the country.

SCHOOL CONSTRUCTION POLICIES

Mr. LESINSKI. I never heard complaints of control in the schools. I have to be correct about that. I have heard complaints of overbuilding, meaning instead of putting up a practical school building, they have added on, because of the assistance of the Government, additional foyers, and so forth, that were not necessary.

Mr. FOGARTY. Additional what?

Mr. LESINSKI. Entrance lobbies and excessive expense, things of that nature.

Mr. DENTON. We had something regarding that one year.

Mr. FOGARTY. We have had complaints about hospital construction regulations, too. They have to meet all of the Federal requirements regarding safety and just plain efficient types of facilities which are in the long run beneficial and to the advantage of the local people.

But we haven't had any complaints of Federal control of local hospitals' operations or Federal control of local educational programs.

RESEARCH ON SCHOOL CONSTRUCTION

I have often thought, Commissioner, that you ought to be spending some money in research on the construction of schools because many of these local areas haven't had a new idea in years as far as the construction of schools is concerned.

We are finally spending funds for research in hospital construction because the same is true there. Architects and engineers are still held to the old traditional wing construction of hospitals which has been proven in some areas to be more expensive to operate and more expensive to build. I think that some funds should be available for research in construction of schools.

Mr. KEPPEL. May I ask Mr. Flynt to answer that?

Mr. FLYNT. A cooperative research project in the State educational agency of Texas has covered the whole area of school construction and has developed a plan for modular construction, uniform measurements, and uniform equipment. This goes to the possibility that you could develop standardized units and the architects would use them.

It is not local onsite measurements. Just how far this is going to influence construction is not known, because it would take some time.

Mr. FOGARTY. I have never seen a prefabricated building that is worth much myself.

Mr. FLYNT. This is not a prefabricated building but premeasured units which promise great savings.

GOVERNMENT AID TO EDUCATION

Mr. FOGARTY. Commissioner, as I see this whole picture, when this country was first settled, it was the responsibility of the family to teach the child and, as the country developed, that became too much of a problem and the local communities and towns accepted part of the responsibility. Now the local communities and towns and cities, I guess in every State in the Union, have appealed for and received State aid because of our further development and the fact that a well-educated population is of benefit to the whole State. Now, the same reasoning applies on a national basis.

Not only is it true that it is in the national interest, but they are running out of tax dollars at the local level because of the tax structure at the Federal level and the place they have to go is the Federal Government. It is just a question of working out a Federal aid bill that will be equitable.

SCHOOL CONSTRUCTION POLICIES

Mr. DENTON. I want to say something about the schools, and the way they are being built. When I was recently in the District I was in the part that is in the Federal impact area. The superintendent of one of the schools invited me to come out to the school, and they had a lunch that was mostly, he said, furnished out of surplus food, and he said, "One thing I want to show you is this gymnasium." That is one of the things that has been a bone of contention, building gymnasiums in federally impacted areas.

He said, "I want to show you this building. First of all, it is a gymnasium; we are eating this lunch in here; it is our assembly room, and they have classes in dancing for the girls and boys there." He said, "That is the most busy room in the whole building."

So I thought it was a very good argument in favor of a gymnasium.

Mr. HUGHES. Mr. Denton, referring further to your earlier mention of the report that this committee did conduct on schools built with Federal funds, I recall the conclusive result of this report was that the Federal funds, as such, were used for minimum school facilities. To the extent that local districts did build schools that might be more elaborate than what we would consider minimum, they were putting in their own funds to cover such additional costs.

That has been generally true of this program throughout its history.

DOUBLE SESSIONS

Mr. FOGARTY. Mr. Keppel, what do you think about double sessions? I live in a small town in Rhode Island, and we never had a high school until 2 or 3 years ago; then they got together with an adjoining town,

and decided to build a regional high school. It is only 3 years old and they say they are going to have to go to double sessions next year.

Mr. KEPPEL. Perhaps my views are expressed in the proposals in H.R. 3000, which state that the double session problem is one serious enough to deserve special attention.

Where a double session involves shift-over staff, at some point in the day, it becomes a very difficult thing to run an institution of education successfully. Perhaps this is a little technical, Mr. Chairman, but it is a technical problem.

I am a deep believer in the fact that an institution, an educational institution, be it a school or a college, develops an atmosphere, like Brown, the University of Michigan—whatever you will—which is very influential on the young men and women who are studying there.

If it is split down the middle, with different staffs moving in and out, the difficulty of maintaining institutional standards, the way in which the young people relate to each other, their relations with the teachers, then the difficulties become very great. I think it is much too high a price to pay.

I feel strongly on that, sir.

Mr. LESINSKI. I went to a country school not too many years ago, and they had all eight classes in the same classroom.

Mr. KEPPEL. And under one or more teachers?

Mr. LESINSKI. One teacher.

Mr. KEPPEL. Without this big shift, that is happening in the multiple-session school. Where three or four classes are together, it wouldn't bother me as much as having the whole place split down the middle, with adults of different standards.

Mr. FOGARTY. I went to a school that had one teacher with four grades. I wouldn't want my kids to go there. I hope they are gone forever.

Mr. KEPPEL. Mine was over the post office.

Mr. FOGARTY. Mr. Michel.

Mr. MICHEL. Mr. Chairman, I met the Commissioner several days ago for the first time in my office, and we had a nice visit, I thought, about each other's philosophy.

CLASS SIZE

One question that came to mind—I guess it is prompted by a hearing I just left: What would be your idea of the best size for a grade school classroom in numbers?

What is the optimum, really?

We hear criticism in some areas, that the classes are too large. Our goal seems bent on cutting them down.

What is your view of what the size of a class should be for the grades, one to eight?

Mr. KEPPEL. May I back into that question first, then go into it, head on?

First, I have read a lot of studies which attempt to come to a flat conclusion that a class of 26 is better than one of 21, or better than one of 30; and I have not been satisfied with any of those studies, because there are so many different factors involved, and I just do not think that educational research has a fixed answer to that, unless one deals with a very specific group of children.

Let me be specific here. For example, in the slums of New York City where I was born, if you have a classroom of—I will say over 30—in an area where the children don't really have a father; where there is no standard of behavior in the home; where there are no books in the home; where there is no way in which the child is rewarded or encouraged for schoolwork; then, I think, anything over 30 probably means that very little teaching can be done.

In fact, under those circumstances, sheer horsesense would call for a smaller number.

On the other hand, you may have a different situation—and thank the Lord we often do in the United States—of parents who are deeply interested in their children's education and you have some reason to think that the kids want to learn. In this case, one can—and we have done this on an experimental basis at the Newton public schools near Boston—one can have as many as 90 in the classroom for certain subjects, where you present the various visual techniques, like materials in science, and biology, and the like. This is a little like a college lecture and would be just flatly impossible under other circumstances, where you have no reason to assume that the young people want to learn; where, in fact, it is almost a policing problem.

That is why I am hesitant to give a flat answer. I regret that I cannot.

Mr. MICHEL. I don't think there is one.

Mr. KEPPEL. At the moment, I don't think there is one. It is therefore a situation in which—I think a little like the medical man—I think he wants to look at the total situation, and make his diagnosis; given where the school is and what the situation is.

Mr. MICHEL. What would you say, in a general way, that the high school class should compare—numberwise—with grade school classes?

Mr. KEPPEL. I have a mildly heretical view on this, with which my colleagues, I am sure, would not agree, but that is normal for an ex-dean of a college, Mr. Michel.

If you make the assumption that the pupils really want to learn—and this is perhaps true of two-thirds of the pupils in the United States—I have a suspicion we may have the thing on backwards, in that we have smaller high school classes, by and large, than we do the elementary school classes.

Now, if you assume a desire to learn, and the greater maturity of the adolescent in the high school, I have to insist on assuming a desire to learn, not a police problem, then I think we could increase, occasionally, those high school classes.

The actual reason why the averages show more teachers per high school student is specialization. It is because you need a larger staff in biology, chemistry, English, and so forth. The way the statistics come out, on the average there are about 25 pupils for high school teachers and 30 for elementary school teachers, which doesn't necessarily express the realities inside the classroom but I think it is going

to be a very difficult thing to get away from, because you do need specialization in the high school.

I will have to confess, Mr. Michel, if you will forgive me for one more sentence, that I have often thought about this problem.

I recall the time my wife and I were having a children's party for some fifteen 13-year-olds at our house and we tried to keep them occupied for an hour and a half and then had to go to bed for the rest of the night. This is my basic view of measurement—any teacher that can handle 25 kids of that age for 6 hours is doing something.

Mr. MICHEL. That is all.

Mr. FOGARTY. All right. Now, we will take up the first volume of your justifications. You may proceed with your statements on appropriation requests in that volume.

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Grants to States and possessions under George-Barden Act.....	33,475	34,571	34,571
2. Other grants to possessions.....	145	145	185
Total program costs, funded—obligations (object class 41).....	33,620	34,716	34,756
Financing: Unobligated balance lapsing.....	52		
New obligational authority (appropriation).....	33,672	34,716	34,756

Mr. KEPPEL. Very well, sir.

The first one, sir, is on "Promotion and further development of vocational education, Office of Education."

Vocational training of young people and adults is of increasing importance to our national welfare and economic progress. Scientific and technological developments are reflected in changing demands on the labor force and these forces place a premium on specialized technical training. These same forces outmode established occupations while setting up new occupational requirements. The significance of these demands is reflected in the enactment of the Manpower Development and Training Act of 1962 and the Area Redevelopment Act of 1961. While these latter acts are supplemental to the Federal vocational education laws, they point up the constant need to adapt and revitalize vocational and technical education in the interest of attaining full employment.

I might interpolate, Mr. Chairman, that electronics and data processing would be examples of this.

The most rapidly expanding occupations require the most education and training. In many sections of the Nation vocational education is not available to all who need it. Out of 10 students who enter high school, 6 may be expected to graduate and 4 may be expected to go on to college. Thus, 6 out of 10 students who enroll in high school will enter the labor force and will be dependent on vocational training for a livelihood. However, federally supported vocational educa-

tional enrollments represent only about 20 percent of our public high school enrollments. A goal for vocational education is the expansion and enlargement of its capability to meet the training needs of the country's work force. The proposals for vocational and technical education in the President's legislative program—as expressed in H.R. 3000—will assist greatly in the improvement of the existing situation.

Under the Federal vocational acts training is authorized in agriculture, distributive occupations, home economics, trades and industries, the fishery trades, and practical nurse training. These programs are developed and operated by local school boards at the secondary level, and they are administered by State boards for vocational education. Federal support to these programs is an example of the joint Federal-State-local cooperation in meeting the demand for trained manpower.

Enrollment in vocational education classes now exceeds 4 million persons, over half of whom are employed workers. Demand for vocational education programs continues and enrollments increase each year. The States and local communities expend approximately \$4.51 for each \$1 of Federal funds in support of these programs.

Appropriations requested for all categories are at the maximum levels authorized, or needed, as in fiscal year 1963, which is \$34,756,000.

Would you like me to go on, sir?

Mr. FOGARTY. Yes.

FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND THE MECHANIC ARTS

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities: Grants to States (costs—obligations) (object class 41)-----	8, 194	11, 950	11, 950
Financing: New obligational authority (appropriation)-----	8, 194	11, 950	11, 950

Mr. KEPPEL. Then under the heading, "Further Endowment of Colleges of Agriculture and the Mechanic Arts, Office of Education."

One hundred years ago the Congress of the United States took the bold step of establishing a unique system of higher educational institutions which have become known throughout the world as the land-grant colleges and universities. The first Morrill Act, approved by President Lincoln on July 2, 1862, granted each State an equal amount of public land, the proceeds from the sale of which were to be used "to endow, support, and maintain at least one college where the leading object shall be to teach such branches of learning as are related to agriculture and the mechanic arts." As a result of supplemental legislation, these institutions, which now number 68, also participate in a permanent appropriation amounting to \$2,550,000 and providing \$50,000 to each State and Puerto Rico. Furthermore, the land-grant colleges and universities share in an annual appropriation authorized by the Bankhead-Jones Act of 1935, as amended in 1952 and 1960.

The most recent amendment to the Bankhead-Jones Act was by Public Law 86-658, approved July 14, 1960, and had for its purpose the provision of additional support to the land-grant institutions to assist them in meeting increased enrollments and higher costs of education. As amended, the act now provides for the annual appropriation of an amount of \$11,950,000 comprising: (1) \$7,650,000 to be divided equally among the several States and Puerto Rico, and (2) \$4,300,000 to be divided among them in proportion to population.

For fiscal year 1964 we are requesting the maximum authorization of \$11,950,000, the same as the amount received for 1963. The uniform grants to each State and Puerto Rico will be \$150,000, while the variable grants totaling \$4,300,000 will be distributed on the basis of population.

Today the land-grant colleges and universities enroll approximately 20 percent of all students attending institutions of higher education in this country, and are responsible for awarding nearly 40 percent of the Ph.D.'s granted by all American universities in all fields. Perhaps the most dramatic illustration of the contribution which these institutions have made to our Nation is to be found in the fact that, of the 40 living American recipients of Nobel prizes, 24 earned one or more degrees at land-grant colleges and universities. At a time when the continued prosperity and security of this country are so clearly related to the fullest development of the skills and talents of our people, we are pleased to recommend the continuation of this necessary support to this remarkable—and they are remarkable—group of institutions.

GRANTS FOR LIBRARY SERVICES

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Programs by activities: Grants to States and possessions (costs—obligations) (object class 41).....	8, 231	7, 500	7, 500
Financing:			
Unobligated balance brought forward (—).....	—1, 222		
Unobligated balance lapsing.....	491		
New obligational authority (appropriation).....	7, 500	7, 500	7, 500

Then sir, the next is "Grants for library services, Office of Education."

Mr. FOGARTY. This is for the same amount as was appropriated last year, and the same as the authorization.

We will place your prepared statement in the record.

(The statement referred to follows:)

The Library Services Act (Public Law 597, 84th Cong.), passed in 1956 and extended by Congress until 1966 (Public Law 86-679), authorizes an appropriation of \$7.5 million annually for grants to the States for the further development of public library services in rural areas under 10,000 population. This amount is requested in fiscal year 1964 to provide for the continuation of grants at the maximum authorized level.

These funds, allotted to the States on the basis of their rural population and matched by the States on the basis of their per capita income, may be used for salaries, books and other library materials, library equipment, and other operat-

ing expenses, but not for the purchase or erection of buildings or for the purchase of land. The Federal share is limited to not more than 66 percent nor less than 33 percent of the total costs within the limitations of the appropriation made for this purpose.

PROGRESS OF STATES

All of the States plus Guam, Puerto Rico, and the Virgin Islands are now participating under the act; and congressional action in 1962 now makes it possible for American Samoa to enter the program.

Preliminary reports indicate that in the first 6 years of the Library Services Act, new or improved public library services have been made available to 36 million rural citizens as a result of State plans.

Some 350 bookmobiles have been placed in operation under the act. State appropriations for rural public library services increased by 92 percent and local appropriations increased by 74 percent between 1956 and 1962. Approximately 130 field consultants have been added to the States to carry out programs under the State plans.

NEED FOR PUBLIC LIBRARIES

Public libraries are a source of continuing assistance in self-education, in cultural appreciation, in citizenship, in increased vocational competence, and in the better use of leisure for the entire community. Students of all ages can find the signposts to the future at the public library. Here, books point out the need for university training, lead to scientific investigation, or to the wise choice of a career.

Under the Library Services Act, public libraries are being brought to the rural people of our Nation. The stimulus of Federal financial assistance and sound State and local planning has resulted in significant progress.

PAYMENTS TO SCHOOL DISTRICTS

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
OFFICE OF EDUCATION			
41 Grants, subsidies, and contributions.....	246,505	282,175	104,302
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	49	58	64
Positions other than permanent.....	8	20	21
Other personnel compensation.....	13	13	15
Total personnel compensation.....	70	91	100
12 Personnel benefits.....	2	3	4
21 Travel and transportation of persons.....	6	2	7
23 Rent, communications, and utilities.....	1	2	2
25 Other services.....	24	31	33
26 Supplies and materials.....	8	8	8
31 Equipment.....	4	4	5
41 Grants, subsidies, and contributions.....	10	10	10
Subtotal.....	125	151	169
Deduct quarters and subsistence charges.....	5	4	5
Total, allocation accounts.....	120	147	164
Total obligations.....	246,625	282,322	104,466
Obligations are distributed as follows:			
Health, Education, and Welfare, Office of Education.....	246,505	282,175	104,302
Interior, National Park Service.....	16	22	23
Federal Aviation Agency.....	94	115	131
Veterans Administration.....	10	10	10

Personnel summary

	1962 actual	1963 estimate	1964 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	9	10	11
Full-time equivalent of other positions.....	3	5	5
Average number of all employees.....	11	14	15
Number of employees at end of year.....	0	1	1
Average GS grade.....	9.0	9.0	9.0
Average GS salary.....	\$6,545	\$6,677	\$6,671

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Payments to local educational agencies.....	234,496	266,322	88,466
2. Payments to other Federal agencies.....	12,129	16,000	16,000
Total program costs, funded—obligations.....	246,625	282,322	104,466
Financing:			
Unobligated balance brought forward (—).....		—367	
Unobligated balance carried forward.....	367		
Unobligated balance lapsing.....	9	367	
New obligational authority (appropriation).....	247,000	282,322	104,466

Mr. KEPPEL. Then, the next statement, Mr. Chairman, does involve questions which perhaps justify its being read—"Payments to school districts, Office of Education."

Mr. FOGARTY. Yes, I agree.

Mr. KEPPEL. Public Law 874 authorizes payments in fiscal year 1964 to school districts for maintenance and operation of schools in certain situations where the United States has placed financial burdens on local educational agencies. On their part, these agencies provide free public education for children who reside on Federal property with a parent employed on Federal property. The law also authorizes arrangements to be made at full Federal expense for providing free public education for children who reside on Federal property (such as military installations) when no State or local tax revenues may be used for the free public education of these children, or when no local educational agency is able to provide them with suitable free public education.

Provisions of the law which expire on June 30, 1963, also authorize assistance to local educational agencies on which the United States has placed financial burdens in three other situations. These are as follows: (1) whenever local tax revenue sources are removed because of the acquisition of real property by the United States, or (2) the agencies provide free public education for children who live with a parent who either lives on or is employed on Federal property, or (3) Federal activities carried on directly or through a contractor result in a sudden and substantial increase in school attendance.

The requested appropriation of \$104,466,000 for fiscal year 1964 will provide for payments, of full entitlement, to about 1,100 local school districts and Federal agencies educating about 360,000 children who reside on Federal property.

Under recommended legislation to extend the expiring provisions without amendment for 1 year, an additional \$216,204,000 would be required for total estimated entitlements of \$320,670,000. This total amount would provide payments to about 4,300 eligible school districts and Federal agencies educating about 1.95 million federally-connected children.

The next sir, deals with school construction and is, in effect, the same. Mr. FOGARTY. I think you had better read it, too.

ASSISTANCE FOR SCHOOL CONSTRUCTION

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
OFFICE OF EDUCATION			
41 Grants, subsidies, and contributions.....	50,340	81,670	15,440
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
11 Personnel compensation: Positions other than permanent.....	48	60	60
12 Personnel benefits.....	3	4	4
21 Travel and transportation of persons.....	7	11	11
25 Other services.....	848	800	860
32 Lands and structures.....	12,496	18,352	7,425
Total, Housing and Home Finance Agency.....	13,402	19,227	8,360
Total costs.....	63,742	100,897	23,800
Change in selected resources.....	448		
Total obligations.....	64,190	100,897	23,800

Personnel summary

	1962 actual	1963 estimate	1964 estimate
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
Average number of all employees.....	6	7	7
Number of employees at end of year.....	0	0	0

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Assistance to local educational agencies.....	50,340	81,670	15,440
2. Assistance for school construction on Federal properties.....	12,554	18,427	7,500
3. Payments for technical services.....	848	800	860
Total program costs, funded.....	63,742	100,897	23,800
Change in selected resources ¹	448		
Total obligations.....	64,190	100,897	23,800
Financing:			
Unobligated balance brought forward (—).....	—39,459	—37,211	
Unobligated balance carried forward.....	37,211		
New obligational authority (appropriation).....	61,942	63,686	23,800

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$8,792,000; (1962 adjustments, —\$1,000); 1962, \$9,239,000; 1963, \$9,239,000; 1964, \$9,239,000.

Mr. KEPPEL. "Assistance for school construction, Office of Education."

The program of financial assistance for construction of schools in federally affected areas under Public Law 815 authorizes assistance to local educational agencies for school membership increases of children who reside on Federal property with a parent employed on Federal property.

The program in fiscal year 1964 will continue to provide for construction of schools on Federal property for those eligible children when no State or local funds may be expended for the free public education or no local educational agency is able to provide suitable free public education for them.

Expiring on June 30, 1963, is the authorization for assistance for increases in membership of children who either reside on Federal property or reside with a parent employed on Federal property, and of children whose parents are engaged in Federal activities carried on directly or through a contractor. In addition, authorization will expire on June 30, 1963, for construction aid for those school districts which provide (or would provide if necessary facilities were available), free public education for a substantial number of children residing on Federal property (mostly Indian reservations), when such school districts are unable, with resources available to them, to provide necessary school facilities.

The requested appropriation of \$23,800,000 for fiscal year 1964 will provide for approval of about 150 eligible school construction project applications. Under recommended legislation to extend the expiring provisions without amendment for 1 year, an additional \$37,984,000 would be required for a total request of \$61,784,000.

Included in the 1964 appropriation request is \$7,500,000 for Federal construction of schools on Federal property.

Also included is \$860,000 for technical services to be rendered by the Housing and Home Finance Agency. A separate brief statement of justification of this amount has been prepared by that Agency.

And I believe, Mr. Chairman, that Mr. Seward, the Deputy Commissioner of Community Facilities Administration, is here.

Mr. FOGARTY. Yes, I saw him come in. He has been here several times before.

Please proceed, Mr. Seward.

Mr. SEWARD. It is a short statement, Mr. Fogarty.

Under the terms of a working agreement between the Commissioner of Education and the Housing Administrator the Community Facilities Administration provides technical services for the school construction program. The services provided include architectural and engineering review, financial analysis, and legal review. Services are performed both in preliminary states and during construction.

In the 12 years that our agency has been performing these services we have endeavored to provide a maximum of school facilities per Federal dollar expended without sacrificing architectural, structural, and safety standards. The success of our efforts may be illustrated by the fact that about 4,400 school projects have been built and technical services have been provided at a remarkably low cost to the taxpayer. Slightly under 1 percent of the program funds appropriated since 1951 have been used for technical services.

The budget estimate for technical services in fiscal year 1964 is \$860,000. This amount includes increased costs attributable to the passage of the Federal Employees Salary Act of 1962. The estimate is predicated, however, on the assumption that only the permanent sections of Public Law 815 will be operative in the budget year—that is, the temporary sections will be allowed to expire.

The level of technical services reflects projects already in the pipeline as well as those estimated to be assigned to our agency during the current and budget years.

I will be pleased to answer any questions, Mr. Fogarty, which the committee may have.

DEFENSE EDUCATIONAL ACTIVITIES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
25 Other contractual services.....	27,301	21,155	22,198
33 Investments and loans.....	74,860	92,400	92,400
41 Grants, subsidies, and contributions.....	103,239	106,426	106,626
Total costs.....	205,400	219,981	221,224
Change in selected resources.....	-6,489	805	202
Total obligations.....	198,911	220,786	221,426

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Student loans:			
(a) Contributions to loan funds.....	73,733	90,000	90,000
(b) Loans to educational institutions.....	455	900	900
(c) Cancellation of student loans.....	60	30	350
2. Science, mathematics, and foreign language instruction:			
(a) Acquisition of equipment and minor remodeling:			
(1) Grants to States.....	44,120	45,123	45,164
(2) Loans to nonprofit private schools.....	672	1,500	1,500
(b) Grants to States for supervision and administration.....	2,841	2,882	2,941
3. National defense fellowships.....	21,372	21,200	21,200
4. Guidance, counseling, and testing:			
(a) Grants to States.....	14,430	14,951	14,951
(b) Institutes for counseling personnel.....	10,677	7,250	7,250
5. Advanced training in foreign areas and languages:			
(a) Training centers.....	5,754	5,640	6,295
(b) Institutes for language teachers.....	9,014	7,250	7,250
(c) Research.....	4,113	1,863	1,800
6. Educational media research.....	3,994	4,692	4,703
7. Grants to States for area vocational programs.....	12,682	15,000	15,000
8. Grants to States for statistical services.....	1,483	1,700	1,920
Total program costs, funded.....	205,400	219,981	221,224
Change in selected resources ¹	-6,489	805	202
Total obligations.....	198,911	220,786	221,426
Financing:			
Unobligated balance brought forward (-).....	-36,983	-35,619	-34,563
Appropriation available from subsequent year (-).....	-48,350	-48,350	-48,350
Appropriation available in prior year.....	48,666	48,350	48,350
Unobligated balance carried forward.....	35,619	34,563	32,821
Unobligated balance lapsing.....	13,764	9,720	9,936
New obligational authority (appropriation).....	211,627	229,450	229,620

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders 1961, \$9,901,000 (1962 adjustments, -\$41,000); 1962, \$3,371,000; 1963, \$4,176,000; 1964, \$4,378,000.

Mr. FOGARTY. Mr. Commissioner, you have one more item in this first volume of justifications, the Defense Education Act.

GENERAL STATEMENT

We will put your detailed statement in the record, and will appreciate it if you will summarize it for us. Then we will question on this group of requests.

(The statement follows:)

STATEMENT BY COMMISSIONER-DESIGNATE OF EDUCATION

The National Defense Education Act is now in its 5th year of operation. In that relatively short span of time, the programs authorized by the act have strengthened the educational system of the Nation at critical points. The principal beneficiary of these activities is the student who is shown his potential, given a means to develop it, and is provided with improved instruction in several areas critical to the national defense.

The act is the most ambitious single effort the Congress has ever authorized on behalf of education, and substantial progress has been made in meeting the goals which the act sets forth. Let me cite these facts:

Since 1958, over 360,000 undergraduate and graduate students will have borrowed about \$220 million to complete their college education. This year an estimated 235,000 will borrow about \$110 million. Seventy percent of the loans go to students with superior academic background in science, mathematics, and modern foreign languages and those preparing to teach.

Instructional equipment and material worth \$429 million has been purchased through 240,000 State approved and matched projects for strengthening instruction in science, mathematics, and modern foreign languages. As part of these projects, 18,500 classrooms or laboratories have been remodeled, including the installation of more than 5,000 language laboratories. About 240 loans totaling \$3.5 million have been approved to private, non-profit schools for the same purposes.

The graduate fellowship program will have made 7,000 awards to graduate students preparing for college teaching careers by the end of this year. In academic year 1962-63 students are enrolled in 161 institutions in 49 States, the District of Columbia, and Puerto Rico.

More than \$64 million in Federal funds, matched at least 6 to 1 by State and local funds, has increased the number of counselors available for high school students from the full-time equivalent of about 12,000 in 1958 to more than 26,000 in 1963.

Nearly 14,000 high school counselors or teachers will have attended special institutes.

About 15,800 elementary and secondary school language teachers will have attended language institutes, about 3,525 graduate students will have been awarded fellowships to study languages of critical importance to the Nation; 55 language and area centers providing instruction in these languages and related studies will receive support in 1963; and 220 language research and studies projects will have been initiated.

More than 200 grants have been made for research in educational uses of communications media at a total cost of about \$12.4 million, and 140 contracts totaling about \$6.5 million have been completed to assist in dissemination of research findings.

About 175,000 trainees are estimated to be enrolled in programs under title VIII technical training programs in 1963. Of the first 5,259 technicians graduated from 2-year preparatory programs, 74.4 percent of those available for employment were almost immediately placed in the field for which they were trained.

Forty-five States and possessions have either initiated or expanded automatic data-processing systems under the title X program.

This array of statistics documenting the effects of NDEA on the educational attainments of thousands of students at every grade level makes a clear case for their continued financial support.

The 1964 budget request—the last to be submitted under the present authorization—is \$229,620,000, which represents a net increase of \$170,000 over the total 1963 appropriation of \$229,450,000. These funds would be distributed as follows:

Student loans (title II), \$91,250,000

The student loan program is the largest program of financial assistance to students now in operation. Its steady growth has been impressive. In 1959, 1,181 institutions made loans to nearly 25,000 students. In fiscal year 1963, 1,520 institutions will make loans to about 235,000 students. The average loan remains at \$470, indicating that the student is keeping his indebtedness within reasonable bounds and that the institution is also anxious to keep the level of the loans down so that the benefits of the program may be spread more evenly among students.

The program has been singularly successful in providing assistance to students who are particularly in need of it. Seventy-five percent of the borrowers come from families with income of less than \$6,000 and 9 out of 10 borrowers are able to enter or continue their college education on a full-time basis because of the loans.

The budget request for 1964 is at the maximum authorization of \$90 million, the same as for 1963. Loans to institutions unable to contribute their share to the loan fund should total about \$900,000—\$370,000 less than the amount available for fiscal year 1963. It is estimated that \$350,000 will be needed for payments for cancellation of student loans, an increase of \$320,000 over the 1963 appropriation. Additional amounts are forgiven as increasing numbers of student borrowers graduate and enter the teaching profession.

Science, mathematics, and modern foreign language instruction (title III), \$57,750,000

Title III authorizes payments to the States on a matching basis for the purpose of strengthening instruction in science, mathematics, and modern foreign languages in the public elementary and secondary schools. Loans are authorized to nonprofit, private schools for the same purposes. Funds are used for projects which provide for the acquisition of laboratory and other special equipment and materials, and for the minor remodeling of facilities incidental to the use of such equipment. Payments are also authorized for expanded State supervisory and related services and for the cost of administration of State plans for strengthening instruction in the specified subject-matter fields.

(a) *Acquisition of equipment and minor remodeling.*—(1) Grants to States, \$47,520,000: Forty-eight States, the District of Columbia, and three possessions are participating in this program. States report that desirable educational benefits are accruing in the form of increased interest in the three subjects, greater emphasis on teaching foreign languages, and introductions of new methods and materials in mathematics and science. Many States have reported to us that enrollment increases in all three subject-matter fields have been greater than the proportional increase in school enrollments. Though instructional equipment and materials are flowing into the classrooms at a rate greater than any time in recent history, the needs continue to be pressing. Schools installed 5,500 new language laboratories in the first 4 years of the program, but there is still a need for an additional 20,000.

States consistently report that science facilities are far from adequate to provide instruction for all students who might take the sciences.

The 1964 budget estimate is \$47,520,000, the same amount as the 1963 appropriation. Under title III, allotments remain available for a 2-year period. Estimated State usage of approximately \$45 million in 1963 is expected to continue in 1964.

(2) Loans to nonprofit, private schools, \$6,480,000: This allotment is governed by the provision that the amount reserved for loans shall be 12 percent of the appropriation. Loans are made to the eligible schools upon application to the Office of Education and upon approval by the Commissioner. Loan funds have been used by 195 schools to strengthen science instruction. Some 110 schools used nearly 20 percent of their loan funds for equipping modern foreign language laboratories. The amount estimated to be loaned in 1964 is \$1,500,000.

(b) *Grants to States for supervision and administration, \$3,750,000.*—Grants are made on a matching basis to State education agencies to expand their staffs

of special personnel in the subject-matter fields of science, mathematics, and modern foreign languages. Funds can also be used to administer the State plan and to support such services as audiovisual and library.

To date, States have made giant strides toward strengthening their staffs with more than 188 specialists being added since National Defense Education Act was passed. Inservice workshops, publication programs, and personal consultative services for local administrators and teachers have greatly helped schools keep abreast of the development in these rapidly expanding fields.

The 1964 budget estimate is \$3,750,000, a continuation of the 1963 level of support.

National defense fellowships (title IV), \$21,200,000

The graduate fellowship program is designed to encourage students to prepare for college teaching careers, to support new and expanded graduate programs, and to promote these programs in those areas of the country where there is a need for them.

In the first 4 years of the program 5,500 fellowships have been awarded and 849 new and expanded doctoral programs have been approved. By the end of fiscal year 1963, a total of 7,000 fellowships will have been awarded, and 1,800 fellows will have completed their studies.

The budget estimate for fiscal year 1964 is the same as the 1963 appropriation and will support an additional 1,500 awards, the number authorized.

The need for additional men and women to serve as college teachers remains extremely acute. College enrollments are expected to increase well into the next decades. It is estimated that colleges will need 406,000 new teachers during the next 10 years.

Guidance, counseling, and testing (title V), \$22,250,000

(a) *Grants to States, \$15,000,000.*—Title V-A of the act authorizes payments on a matching basis to States to assist in the establishment and maintenance of programs of guidance, counseling, and testing in public secondary schools. Guidance services are supported as part of a national need to identify, encourage, and develop the talents of the Nation's youth.

Forty-nine States, the District of Columbia, and three possessions are participating in this program. During the first 4 years of National Defense Education Act, the number of guidance counselors in local school programs doubled. At least 75 percent of all high school pupils now have scholastic aptitude and achievement testing results available, though, in many cases, they do not have adequate time with a qualified guidance counselor. More than 20,000 counselors are needed to meet a national average of 1 counselor for 300 pupils. State educational agency staffs also need to supplement their guidance personnel to provide supervisory services to local school districts.

The request for this activity is \$15 million, the maximum authorization and the amount appropriated for fiscal year 1963.

(b) *Institutes for counseling personnel, \$7,250,000.*—This program authorizes contracts with institutions of higher education for the operation of short-term or regular-session institutes for training to improve the qualifications of personnel engaged in counseling and guidance of students in secondary schools or teachers who are preparing to become guidance counselors in the schools.

The need for counselors to handle the increasingly complex problems of choosing courses properly suited to each student's interests and abilities remains pressing. The dropout and underachievement of students in many of the Nation's schools continue to be a serious concern. The supply of personnel to take positions in local schools must be increased to meet the demands. The request for 1964 will support 35 short-term and 25 regular-session institutes. About 1,800 enrollees can be accommodated. The request is the same amount as the 1963 appropriation.

Advanced training in foreign areas and languages (title VI), \$15,250,000

Through support of language and area centers, fellowships, research and studies, and institutes, a major effort has been launched to develop broader foreign language competencies in U.S. citizens. The 1964 budget estimate of \$15,250,000, the maximum authorized, is as follows:

(a) *Training centers and stipends, \$6,200,000.*—In academic year 1962-63, 53 language and area centers at 33 colleges and universities received support. These centers offer instruction in 66 uncommon languages, 52 of which are supported by the title VI language and area centers program. This is a considerable increase from the first year of the program, when 25 languages were supported at 19 language and area centers.

The need for and interest in language and area studies continues to grow, and the NDEA centers provide unprecedented nationwide resources for such study. Although originally designed for the study at the graduate level, the centers are now offering instruction to both graduate and undergraduate students. In fiscal years 1963 and 1964, 55 language and area centers will be supported.

The program also authorizes fellowships for advanced graduate study of critical languages and related area studies. During the first 4 years of the program, 2,423 fellowships were awarded to 1,651 students at 59 institutions of higher education. In fiscal year 1963, 1,083 fellowship awards will be made and 1,195 awards are proposed for fiscal year 1964.

Approximately 80 percent of both fellows and funds were confined to seven languages of first priority: Arabic, Chinese, Hindi-Urdu, Japanese, Portuguese, Russian, and Spanish.

(b) *Institutes for language teachers, \$7,250,000.*—This program authorizes both short-term and regular-session institutes for elementary and secondary teachers or other individuals who may plan to teach a foreign language. More than 11,000 teachers have already been trained in this program. About 4,500 are expected to be trained in 1963. Teachers are desperately needed in elementary and secondary schools to meet the demand for course additions to the curriculum for foreign language study. Many teachers, too, need retraining to acquaint them with the methodology of teaching for a speaking competency through use of audiovisual aids.

The 1964 estimate of \$7,250,000, the maximum authorized and the same amount appropriated for 1963, will provide for the continuation of the level of operations of 79 summer institutes and 4 regular session institutes involving 4,500 participants.

(c) *Research, \$1,800,000.*—This program for the development of instructional materials and the conduct of surveys is providing essential facts regarding language instruction in the elementary and secondary grades as well as in higher education. The research projects contracted for range in time from 2 weeks to 3 years, and in cost from a few hundred dollars to \$1 million.

The development of tests for language teachers and of instructional material emphasizing the speaking and understanding aspects of learning languages are influencing language instruction. A comprehensive program for the creation of instructional materials in languages commonly taught and seldom or never taught in this country and for research in these languages has been developed. For example, contracts have been made to develop additional instructional materials on 18 critical languages of Africa and Asia.

This operation will be continued at the fiscal year 1963 level.

New educational media research (title VII), \$5 million

The budget estimate for fiscal year 1964 provides support of this program at the 1963 level of operation.

Under title VII, grants and contracts are awarded to study new methods and techniques of education using the new media of instruction and to initiate activities which will encourage schools and universities to incorporate these new methods and techniques into their school programs. The broad general objective is to encourage the intelligent use of new media methods and techniques in accelerating both the quantity and quality of American education.

The research portion of the program increasingly is identifying the ways in which television, programed instruction (teaching machines), motion pictures, language laboratories, and similar media can be used more effectively in all subject areas and at all public school and university levels. Under the dissemination part of the program, demonstration, national bibliographic and information services, conferences, and studies with various professional groups are encouraging wide acceptance of the various research proven methods and techniques, and are stimulating innovation in the administrative uses of the new media.

Area vocational education programs (title VIII), \$15 million

Payments are made to the States on a matching basis to train individuals to fit them for useful employment as highly skilled technicians in fields necessary for the national defense. It is estimated that 200,000 students will participate in these programs in 1964, compared with 175,000 in 1963. Ten States report plans for 69 new area schools and many other States are expanding and improving their present facilities.

Critical job opportunities exist in the categories to which this training is directed. The placement of 74.4 percent of recent graduates of full-time preparatory curriculums in the technical field for which they were trained and 8.5 percent in positions related to their field of training is indicative of the quality of training being offered.

Grants to States for statistical services (title X), \$1,920,000

This program provides for improvements in the basic sources of data about elementary and secondary education in the United States. Through this program the States are participating in the development of a nationwide system of educational information. Measures include, recruiting qualified professional staff, increased use of standard terminology, installation and refinement of automatic data processing systems, adoption of standard reports, and general improvements in reporting forms, accounting procedures and techniques for processing information.

Fiscal year 1963 represents the fourth complete year of the program of grants to States for statistical services under title X. Progress under the program has been reflected by specific improvements at the State level. Prior to NDEA, only 13 States utilized automatic data processing systems; today over 45 States have either initiated or expanded automatic data processing systems under the title X program. Progress of this nature has been the keystone to improve educational statistical data at State and National levels in terms of timeliness, comparability, completeness, and availability.

The 1964 budget estimate is \$1,920,000, an increase of \$220,000 over 1963. The additional amount is requested in anticipation that 52 States and other jurisdictions will participate under the terms of the program in 1964, an increase of 5 over 1963, and to meet the increase in financial grant requirements over 1963 which is reflected in the estimates of 28 of these States.

MR. KEPPEL. The National Defense Education Act has strengthened American education at all levels. We are requesting \$229,620,000 for fiscal year 1964 to continue the benefits of the act's several programs into this last year of its authorization. The amount requested for each program is the same as the previous year with the exception of an increase of \$220,000 in title X, improvement of statistics, and a net decrease of \$50,000 in title II, the student loan program.

BREAKDOWN OF 1964 BUDGET

The request is distributed as follows:

Under the heading of "Student loans (title II)," \$91,250,000.

During 1963 about 1,520 institutions will make loans to approximately 235,000 students. Interest and participation in this program continues at a high level and the maximum amount authorized, \$90 million, is again requested. About half of the student borrowers who graduate enter public school teaching, thus qualifying for a percentage reduction of their loans. The total request takes account of the additional amounts needed to finance these loan cancellations, and the declining estimate of requirements for financing the institutional share of the loan fund.

Under the heading of "Science, mathematics, and modern foreign language instruction (title III)," \$57,750,000.

Most of this amount (\$47.5 million) is for projects to acquire instructional equipment and materials and for minor remodeling of classrooms and laboratories in elementary and secondary schools. Estimated State usage of approximately \$45 million in 1963 is expected to continue in 1964.

By law 12 percent of the appropriation is reserved for loans for the same purpose, or \$6,480,000. The amount estimated to be loaned in 1964 is \$1,500,000.

State administration and supervision of the program accounts for \$3,750,000, the same as in 1963.

Under "title IV, national defense fellowships," \$21,200,000.

This amount will fund 1,500 new fellowships and continue this program of encouraging students to complete doctoral studies and enter college teaching.

Under "Guidance, counseling, and testing (title V)," \$22,250,000.

(a) Grants to States, \$15 million. Expansion of these services in the secondary schools is needed if the local schools are to continue progress toward adequate counseling services for all students. This program is essential to the solution of the problems of student underachievement and dropout.

(b) Institutes for counseling personnel, \$7,250,000. This amount will train about 1,800 people to help them qualify as counselors to enter employment in the schools where they will help to fill the need for guidance and counseling services.

Under the category of "Advanced training in foreign areas and languages," which is title VI, \$15,250,000.

This amount includes \$6,200,000 for 55 language and area centers, and fellowship stipends for 1,195 prospective teachers; \$7,250,000 is reserved for institutes to train about 4,500 elementary or secondary foreign language teachers; and \$1,800,000 is for research programs to develop instructional materials.

Under "New educational media research," which is title VII, \$5 million is requested.

New uses of TV, programmed instruction, motion pictures, language laboratories and similar media are continuing to be identified and made known to teachers. Grants and contracts for the program will be continued at the present level of support.

Under "Area vocational education programs, title VIII," \$15 million.

At maximum authorization the program should train about 200,000 highly skilled technicians in skills needed for the national defense.

Finally, under "Grants to States for statistical services," which is title X, a request of \$1,920,000.

An increase of \$220,000 is needed in anticipation that at least five more States or other jurisdictions will participate in the program by 1964. Presently 45 States have either initiated or expanded automatic-data-processing systems.

VOCATIONAL EDUCATION

Mr. FOGARTY. The appropriation for vocational education for 1963, is \$34,716,000, and the request for 1964 is \$34,756,000, an increase of \$40,000 which results from the inclusion of American Samoa in the program in 1964.

Mr. KEPPEL. Yes.

Mr. DENTON. I understand from the testimony I heard before the Interior Subcommittee, it is very badly needed.

Mr. KEPPEL. I have been told that, sir.

Mr. FOGARTY. What parts of the program are not funded at full authorization?

Mr. HUGHES. If I may answer that, sir, the only authorization under the vocational education acts, which is not requested in the full amount, is the request for the fishery trades. Here the sum of \$375,000 is authorized, and request is for \$180,000, based on the estimated needs of the States.

Mr. FOGARTY. Why is that?

Mr. HUGHES. We never have been up to the maximum for the reason that all 50 States do not participate in the program, and we have been able with the \$180,000 to take care of the estimated programs in all States.

EFFECT OF NEW TRAINING PROGRAMS

Mr. FOGARTY. What effect does the Area Redevelopment and Manpower Development and Training Act have on this program?

Mr. KEPPEL. While there is not a direct linkage, they clearly have an effect in the sense that the MDTA and the area development program put heavy demands on the Federal and State staffs who are concerned with this program.

I would be grateful if Mr. Harris would answer in more detail. This is a topic of concern to me.

Mr. FOGARTY. Go ahead, Mr. Harris.

Mr. HARRIS. It has had the effect, of course, of expanding a level of vocational training offered; expanding it upward, into the highly technical fields.

PROGRAM UNDER TITLE VIII OF NDEA

It has had the effect of increasing the State expenditures for the support of vocational education in order to match, or overmatch, the title VIII funds.

Mr. FOGARTY. Is there any problem of matching by the States?

Mr. HARRIS. There has been no problem on matching under title VIII. The full authorization is requested and used. It has had some unusual features in the area of this expansion. For instance, the programs under title VIII, expanded, particularly into the junior colleges. In 1959 there were programs in 38 community or junior colleges; 119 in 1960; 126 in 1961; 129 in 1962.

In terms of enrollments the largest block of enrollments, institutionwise, occurs in the junior college.

Other types of institutions which offer title VIII area programs, are the comprehensive high school; the vocational technical high school; the technical high school; the vocational or trade school; technical institutes; community junior college; the 4-year college, and area vocational schools operated directly by State boards.

The fact that these large enrollments in title VIII programs occur in community and junior colleges, does not indicate that this is in conflict with the provisions of title VIII; that it should provide education of less than college grade.

As you know, many 2- and 4-year institutions have large offerings of noncredit work in various fields. Four-year institutions have entire evening school programs which are noncredit, insofar as credits for degrees are concerned.

Dr. Arnold, who is the Assistant Commissioner for Vocational Technical Education might wish to add some statements to this brief summary.

Mr. FOGARTY. Do you have something you want to say, Doctor?

Dr. ARNOLD. As Dr. Harris has indicated, there has been striking growth in technical education programs at the post-high school level, not only in the junior colleges, but in the so-called area schools that operate beyond the high school. But I don't think it should be overlooked that the secondary school programs are growing also in both large city vocational technical high schools, and in larger comprehensive high schools in the country.

I think the program has very important influences on vocational education in general, in that most of the institutions that conduct the programs don't operate only for technical training under title VIII, but they embrace a broad range of vocational education offerings within the limits of title I, title II, and title VIII.

The program is growing steadily, and in view of the provisions that the funds can be used to purchase equipment, there is assurance that the laboratories and shops that are using the program, are well equipped; modernly equipped; and in general, the teachers are drawn out of industry; they are competent in the various technical areas in which they teach; the curriculum is set on high standards, particularly the post-high school program of the 2-year rigorous nature.

We have, I think, done something unique in title VIII in that we have conducted two annual followup studies of the graduates, and the placement record is excellent in both of the years, 1961 and 1962, which has just been completed.

The placement, including those who are placed in jobs related to the technology in which they were taught, runs a little better than 80 percent of those who were available for placement. This excludes, of course, those who entered the service, or who went on to further education.

So I think in general, the program has made a striking contribution to the defense efforts of the country, as the Congress intended.

Mr. FOGARTY. Some States have better programs than others—so we have been told.

DENVER OPPORTUNITY SCHOOL

What about Colorado? Didn't they try something different there?

Dr. ARNOLD. Well, Colorado operates its program in two different ways, generally.

One is through the Denver Opportunity School in Denver.

Mr. FOGARTY. That is the one I was thinking about.

Dr. ARNOLD. That is the Emily Griffith one. That is done on a much more flexible basis of scheduling and admissions.

Mr. FOGARTY. Tell us something about it.

Dr. ARNOLD. Well, the school started many years ago through Emily Griffith, who was very much concerned about the lack of opportunities for young people, out-of-school people.

So the school serves a dual purpose right now. It carries on the secondary vocational education program of the Denver city schools, and at the same time, it has a very flexible day and evening program for admitting out-of-school youths who may or may not have graduated from high school, and for unemployed and employed persons; and it is quite an extensive program and the city of Denver is financing it, along with various other sources.

The other part of the technical educational program in Colorado is largely conducted in the junior college system of the State.

Mr. FOGARTY. The Opportunity School is unusual, though.

Dr. ARNOLD. Well, for example, in the electronics field, they offer a program of 1,500 clock-hours of instruction in the whole area of electronics, including the related science and mathematics that go with this, and the industries of Denver and environs look forward to the graduates of these programs, in much the same manner as industry would to any other post-high-school institution of a more formal nature.

REGIONAL INTEREST IN VOCATIONAL EDUCATION

Mr. FOGARTY. Why is it that the Southern States take more advantage of vocational education than the industrialized States?

Dr. ARNOLD. There are probably a number of factors and it seems to me the most striking factor is that they are associating their educational program, higher education, as well as secondary and vocational education, with industrial development. So that if you look at the States of North Carolina, for example, South Carolina, and Georgia, Kentucky and Florida, they are relating these programs to industrial growth and development, and apparently, to the extent that they can measure it up to this time, it is working.

I noted that North Carolina was fifth last year, in absolute increase in payrolls and capital investment and they set their goal some years back, in 1957, as 23,000 highly skilled graduates in the trade and technical areas by 1965, and apparently, they are going to reach their goal, and this is quite attractive to industry and business, that are seeking places to expand, and initiate new ventures.

Mr. FOGARTY. They have low wages; they don't have facilities; there is a shortage of qualified schoolteachers—all that goes along with it, if you will pardon my addition.

Much of that growth is due to the mills they stole out of Rhode Island and other States in New England, because of cheap wages.

Dr. ARNOLD. I notice, Mr. Chairman, that in North Carolina, they have what they call the research triangle, which is bordered by Duke, Wake Forest, North Carolina State, and the University of North Carolina.

They are attracting people in there with research industry now.

REPORT OF THE STUDY GROUP ON VOCATIONAL EDUCATION

Mr. FOGARTY. We will put the summary of the report of the committee that was appointed to study the vocational education program in the record.

Is there anything else you want to add?

Dr. ARNOLD. No.

Mr. FOGARTY. Do you want to say anything about this report?

Mr. KEPPEL. I would be grateful, Mr. Chairman, for a little more time to study it. It is pretty voluminous and in detail.

Mr. FOGARTY. We will put the summary in the record at this time.

(Summary follows:)

SUMMARY OF REPORT

By 1970, the American labor force—those working or seeking work at any time during the year—will total 100 million people. There will be 87 million Americans working full time, the year around. Of these, 58 million are working now, 26 million will be young workers entering the labor force during the 1960-70 decade, and 3 million will be women entering or reentering the labor force.

The Panel of Consultants on Vocational Education has considered the educational needs of all nonprofessional workers. Many now at work will need training during this decade to keep pace with new methods, new materials, new opportunities. Many others will require retraining as their jobs disappear due to automation or economic change. The local-State-Federal vocational and technical education program, which is the subject of this report, can provide appropriate training and retraining for them.

It is especially important that the 26 million young workers who will start work in this decade adapt to the needs of a changing economy. The 8 out of 10 students now in elementary schools who will not complete 4 years of college may gain occupational competence in many ways: through on-the-job training organized by employers; through apprenticeship and journeymen training, or other trade union programs; in public and private technical institutes or in vocational and general high schools; from the armed services; by individual study and work; and especially through the public program of vocational and technical education.

The 3 million wives, mothers, and widows who will shift from full-time housework to jobs during the decade ending in 1970 will also need marketable skills. Public vocational and technical education programs can help these women improve old skills and gain the new ones needed in a changing world of work.

The local-State-Federal public program of vocational and technical education was inaugurated in 1917 with enactment of the Smith-Hughes Act. Subsequent legislation expanded and extended the original program. Today it benefits about 4 million students (half of whom are adults), and involves more than \$250 million in local, State, and Federal funds expended in an estimated two-thirds of the high schools and many colleges and universities.

Every State and territory now offers federally aided vocational education programs. Each State has a vocational education board to set policy. Federal funds can be used for program operation but not for the construction of buildings; nearly all the Federal funds are used by the States as partial reimbursement for teachers' salaries. In all but the most recent programs—those under the Area Redevelopment Act and the Manpower Development and Training Act—States must match Federal funds dollar for dollar. In general, State and local expenditures far exceed the matching requirements. The types of reimbursable vocational instruction are specified in several Federal statutes, as well as the age and job status of the students.

Federal law limits funds for vocational instruction of both young people and adults, to the following broad categories, among which current enrollment is distributed as follows:

<i>Vocational category</i>	<i>Enrollment (1960-61)</i>
Agriculture.....	805, 322
Distributive occupations.....	306, 083
Homemaking.....	1, 610, 334
Trades and industry.....	963, 609
Practical nursing.....	47, 264
Technician training.....	122, 952

A major concern of the Panel has been to study the strengths and limitations of these local-State-Federal programs, including the implications of automation, technological advance, population mobility, discrimination, urbanization, and the administration of the programs.

The Panel is convinced that vocational and technical education are sound investments in people. Data indicate that graduates of high school vocational education programs are less likely to be unemployed than other high school graduates, that vocational education graduates do in fact work in the occupations for which they prepare, and that vocational education increases their

subsequent earnings. The Panel is satisfied that the local-State-Federal partnership in vocational and technical education is capable of imparting virtually any specific production, service, or technical skill that may be required by national or international crises or emergencies. The evidence includes the program's record of training production workers during World War II, the rising number of technicians being trained under the National Defense Education Act, and the increasing number of practical nurses and other health workers graduating annually from vocational education courses.

However, the Panel found that vocational education is not available in enough high schools. In a special study made by the Panel of 3,733 public high schools in 6 representative States, only 5 percent offered distributive education courses, only 9 percent offered trade and industrial courses, and less than half offered courses in homemaking or vocational agriculture. Even in the largest cities, less than one-fifth of the high school students are enrolled in vocational education programs, although two-thirds of those completing the high school curriculum will not complete 4 years of college education.

The Panel also found that vocational education programs are not preparing people for enough kinds of jobs. One study which compared vocational education enrollments with subsequent occupational employment found that only 10 boys studied vocational agriculture for every 100 males employed in that field. The ratios were even less satisfactory in wholesale and retail trade (1:200) and manufacturing and construction (2:444). In only nine States can one learn to be an office machine repairman through the federally reimbursed vocational education program. Similarly, only 11 States offer federally reimbursed courses in electric appliance repair, only 6 teach heating and ventilating mechanics through this program, and only 11 prepare people for work as drycleaners, spotters, or pressers.

Post-high-school technical training is an especially critical need, the Panel found. Estimates of the number of new technicians needed in every year of the present decade range from 67,800 to 200,000. Technician training is presently offered under a variety of auspices, public and private, with the federally reimbursed programs authorized for the title VIII of the National Defense Education Act producing a major share of the graduates.

The Panel's general recommendations are that, in a changing world of work, vocational education must—

Offer training opportunities to the 21 million noncollege graduates who will enter the labor market in the 1960's.

Provide training or retraining for the millions of workers whose skills and technical knowledge must be updated, as well as those whose jobs will disappear due to increasing efficiency, automation, or economic change.

Meet the critical need for highly skilled craftsmen and technicians through education during and after the high school years.

Expand vocational and technical training programs consistent with employment possibilities and national economic needs.

Make educational opportunities equally available to all, regardless of race, sex, scholastic aptitude, or place of residence.

The Panel believes that the Federal Government must continue to work with States and local communities to develop and improve the skills of its citizens. In place of the occupational categories specified in the present statutes, the Panel recommends that the local-State-Federal partnership increase support of vocational and technical education for—

I. High school students preparing to enter the labor market or become homemakers.

II. Youth with special needs who have academic, socioeconomic, or other handicaps that prevent them from succeeding in the usual high school vocational education program.

III. Youth and adults who have completed or left high school and are full-time students preparing to enter the labor market.

IV. Youth and adults unemployed or at work who need training or retraining to achieve employment stability.

V. Adequate services and facilities to assure quality in all vocational and technical education programs.

The Panel urges that occupational preparation be available to all American youth. The world of work requires many more young people well trained to enter employment in agriculture, the skilled trades, business, industry, merchandising, service occupations, and technical and health fields, as well as home-

making. Since the American population is highly mobile, responsibility for occupational preparation must be considered by every high school, but the need for vocational and technical education is especially evident in urban centers, which offer the greatest number of employment opportunities.

For young people in high school who are preparing to enter the labor market or to become homemakers, the Panel recommends that present vocational education programs be expanded. Training for office occupations should be included among the federally reimbursed vocational education programs. Pre-employment training for the distributive occupations should be eligible for Federal support in addition to the present cooperative (work-school) programs. The vocational agriculture program, under Federal reimbursement, should permit instruction for occupations related to agriculture as well as for actual farming.

For high school age youth with academic, socioeconomic, or other handicaps that prevent them from succeeding in the usual high school vocational education program, the Panel recommends that instruction be highly individualized. Specially qualified and highly motivated teachers with occupational competence, who understand the needs of disadvantaged youth, should be employed for this purpose. Occupational information of practical significance and expert vocational counseling must be made available to their students. Diversity and flexibility must characterize these programs; experimental or pilot projects to develop more effective instruction should be fully supported by Federal funds.

For youth and adults who are full-time students preparing to enter the labor market, having completed or left high school, the Panel recommends that the Federal Government increase its support of full-time, post-high-school vocational and technical training. An advancing technology constantly demands more skilled craftsmen and highly skilled technicians in occupations requiring scientific knowledge. Vocational and technical education must prepare many more technicians and skilled craftsmen for employment in industry, business, agriculture, and the health fields.

Both the area vocational schools and the specialized vocational schools in large urban centers provide a diversity of occupational training programs to large numbers without the usual restrictive residence requirements. Many more of these schools are needed especially for training highly skilled craftsmen and technicians. Technician training is also available in community or junior colleges, agricultural and technical institutes, and vocational-technical schools. Expanding their output is also a national need of urgent importance.

For youth and adults unemployed or at work who need training or retraining to achieve employment stability, the Panel recommends that part-time, short-term training courses be expanded. Millions of workers also require updating and upgrading—lifelong learning—in an era of changing materials, processes, tools, and techniques. Courses in many more fields, including the office and service occupations, should be made available to both groups. More equipment and facilities must be provided to extend educational opportunities to many more workers, especially those living in communities where training is a critical need. Apprentice and journeymen training opportunities should be expanded by mutual action of employers and unions.

For services required to assure quality in all vocational and technical education programs, the Panel recommends that—

Teacher and leadership training programs be improved and enlarged. Institutions of higher education, especially land-grant colleges and State universities, should provide for the professional growth of vocational and technical teachers.

Basic education material oriented to specific occupations be available for all programs. For this purpose, instructional materials laboratories should be established in appropriate institutions and financed and coordinated through the Division of Vocational and Technical Education, U.S. Office of Education.

Occupational information and guidance services be available for all students. State and National leadership for these programs should be supported and coordinated by the Division of Vocational and Technical Education, U.S. Office of Education. Research and development in vocational and technical education be encouraged, supported, and coordinated at the national level. The results of this research and development should be made available on a nationwide basis.

To finance expanding programs of vocational and technical education, support from all sources must expand as enrollments expand, as dropouts diminish, and as adult training and retraining become more urgent. Local and State governments should increase the \$500 million they now provide annually for operation, administration, and construction costs. The Federal Government should provide at least \$400 million as its investment in the 6 million young people and adults who currently benefit from vocational and technical education. This should include for the 1963-64 school year:

	<i>Million</i>
For youth in high school who are preparing to enter the labor market or to become homemakers-----	\$200
For high school youth with academic, socioeconomic, or other handicaps that prevent them from succeeding in the usual high school vocational education program-----	10
For youth and adults who have completed or left high school and are full-time students preparing to enter the labor market-----	50
For youth and adults unemployed or at work who need training or retraining to achieve employment stability-----	100
For services required to assure quality in all vocational and technical education programs-----	40

PAYMENTS TO SCHOOL DISTRICTS

Mr. FOGARTY. For payments to school districts, the appropriation for 1963 is \$282,322,000; the request of 1964 is \$104,466,000, on the basis of the current provisions of the law. The budget contains an estimate of \$216,204,000 to be requested if the temporary provisions are extended, making a total for 1964 of \$320,670,000 or an increase of \$38,348,000.

On what do you base this estimated increase?

Mr. KEPPEL. May we have Mr. Lillywhite respond.

REASONS FOR ESTIMATED INCREASE IN 1964

Mr. LILLYWHITE. The increase, if the temporary provisions have been extended?

Mr. FOGARTY. Yes.

Mr. LILLYWHITE. There has been a \$35 million increase in Public Law 874 costs each year for the last 4 or 5 years.

The increase from 1963 to 1964 is expected to be a 7-percent increase in cost for both the (a) and (b) category, an 11-percent increase in the number of children in the (a) category, and a 6-percent increase in the number of children in the (b) category.

Mr. FOGARTY. Does that make up the \$38 million?

Mr. LILLYWHITE. That is correct.

Mr. FOGARTY. How much of the increase is due to the permanent provisions, and how much the temporary?

How do you break it down?

Mr. KELLY. There is a \$14 million increase in round figures in the permanent provisions, Mr. Chairman.

Mr. LILLYWHITE. That's right.

Mr. FOGARTY. What is the latest estimate of 1963 entitlements?

Mr. LILLYWHITE. Well the total cost is \$282 million in 1963; 16 million would be for Federal section 6 schools and the remainder of it would be entitlements to school districts.

The appropriation is sufficient to pay full entitlements.

PROPOSED CHANGES IN LEGISLATION

Mr. FOGARTY. Now what are the changes the administration proposes in the legislation after 1964 for payments to school districts?

Mr. LILLYWHITE. There are two major changes.

One is the reduction in the rate of payment for the so-called (b) category children, from the present 50 percent of the local contribution rate under 874, and 50 percent of the cost in 815 to 45 percent for the 1965 fiscal year, and a further reduction from 45 to 40, in the subsequent or 1966 fiscal year.

Now, those are two major reductions.

The other one is an increase in eligibility requirements for (b) category children only, from the present 3 percent in 1964——

Mr. FOGARTY. The (b) category——

Mr. LILLYWHITE. They are children whose parents——

Mr. FOGARTY. Who live off the base?

Mr. LILLYWHITE. That is right. Live off, and they work on Federal property, primarily; the eligibility requirement would increase from 3 to 4 percent for the 1965 fiscal year and 5 percent for 1966 and corresponding with that, a reduction in the present 6 percent for the large city districts, down to 5 percent; and inclusion of the District of Columbia in 1965, under the provisions of both acts, and then some technical amendments, relating more to administration. There is one relating to Puerto Rico and one or two others.

Mr. FOGARTY. There would not be much change in the overall appropriation then, would there?

Mr. LILLYWHITE. No. Because with this increase of \$35 or \$40 million a year and then a reduction of 5 percent in the rate of payment for these major categories, there is some reduction.

RELIEF AVAILABLE AFTER ABRUPT DISPOSAL OF FEDERAL PROPERTY

Mr. FOGARTY. What about where we have Federal installations now, and all at once, they go out of business; or they are taken over by private interests.

Do you give any help to these school districts?

Mr. LILLYWHITE. Well, there are two provisions.

Mr. FOGARTY. We have one in New England, you know.

Mr. LILLYWHITE. Yes.

I think that one was quite abrupt. And I don't think the school districts had much opportunity to plan for that.

Mr. FOGARTY. They didn't have any.

Mr. LILLYWHITE. The one provision in the act, that does relate to relief on the abrupt changes, is what we call 3-F, and it was designed to help the situation where a school district reasonably made provisions for an expected number of children in the budget. Those children did not occur—they did not come; or else, they were there for a while and the activity stopped, midway through the year, and the children ceased to be federally connected, or in some cases actually left the school district. If it was a military installation, sometimes they transferred the whole military division from the base.

Now, that provision applied to some of the districts around Connecticut and Rhode Island with respect to the Electric Boat Co., but the first we heard of that was somewhere around after school started,

that they were dickering to sell it; and I had a number of conversations with you as well as other representatives up there, and by the time we got well into the expalanation, it was sold, I think abruptly, about the 15th of December.

Mr. FOGARTY. That is about right.

Mr. LILLYWHITE. So we applied section 3-F, or will apply section 3-F to those situations where it is applicable in relation to the Electric Boat Co.

CHANGES IN LAW THAT MIGHT BE DESIRABLE

Mr. FOGARTY. How can we improve the law to do a better job of taking care of situations like this.

Mr. LILLYWHITE. Well, I don't know that I am authorized to recommend how it could be improved, but this—

Mr. FOGARTY. Well, you are authorized to give your opinion as long as I ask you the question. You are freed of any restrictions that might have been placed on you by the Bureau of the Budget or any of your superiors.

Mr. LILLYWHITE. There is a provision in the law that says when Federal housing property is sold or transferred to private industry, it shall remain taxable property for 1 year beyond the year in which it is sold or transferred.

Now, that does not apply to industrial property, that we are talking about in your State, or in Connecticut.

Mr. FOGARTY. But, if it did, that would give the school districts a year. It would still be pretty abrupt in some cases, would it not?

Mr. LILLYWHITE. In the case of the Electric Boat Co., they would have all the rest of this year to know about it, when it is counted as full Federal property, and all next year, they would count it as Federal property.

There is 1 year beyond the end of the year in which it was transferred is the way the housing amendment reads.

Mr. FOGARTY. Do you think that is a fair provision?

Mr. LILLYWHITE. There are a lot of places where the property doesn't get back on the tax rolls during the next year and this is 1 year's leeway while the machinery for getting the property on the tax rolls goes into operation.

And I think, in talking to some of the representatives, the school districts will not get any taxes next year for the Electric Boat Co. It won't be until the following year.

Mr. FOGARTY. That's right. Do you think that is a fair provision?

Mr. LILLYWHITE. I think it has worked very successfully in the case of housing—it was at the end of the war and they were transferring these thousands of housing units.

Mr. FOGARTY. Well, should we pay more attention to industrial property than to housing?

Mr. LILLYWHITE. I don't think so.

Mr. FOGARTY. You don't think so?

Mr. LILLYWHITE. No.

Mr. FOGARTY. You know we have a very active representative of this group of schools, who comes from Rhode Island. He comes to Washington every once in a while.

Mr. LILLYWHITE. Yes.

Mr. FOGARTY. He generally sees me when he does, and I would like to help him with a few ideas like this, if they are fair and equitable.

Mr. LILLYWHITE. Well, if the principle is to tide them over until the property gets on the tax rolls, it applies equally in both cases.

Mr. FOGARTY. I see.

Is there anything else that you think of in the way of a change in this legislation that would help in this regard, and which you think would be an overall improvement?

Mr. LILLYWHITE. Do you mean for the case of the transfer of the property?

Mr. FOGARTY. Yes.

Mr. LILLYWHITE. No.

Mr. FOGARTY. All right.

ASSISTANCE FOR SCHOOL CONSTRUCTION

Mr. FOGARTY. Now, we will take up "Assistance for school construction."

The appropriation for 1963 is \$63,686,000. The request for 1964 is \$23,800,000 on the basis of the permanent provisions of the act.

The budget contains an estimate of \$37,984,000 to be requested if the temporary provisions are extended, making a total request for 1964 of \$61,784,000.

Mr. KEPPEL. That is correct.

REASON FOR DECREASE IN 1964

Mr. FOGARTY. This is a slight decrease in 1964.

What is the reason for the decrease?

Mr. LILLYWHITE. Well, the Public Law 815 amount has been running since 1960, through 3 years, around \$61 to \$63 million; and it varies up and down a little bit depending on the number of military houses—that is one of the main factors—that are actually being constructed, and to some degree, the other kinds of domestic projects such as flood control and rivers and harbors development.

Our estimate was that it would be just about the same in 1964 as it is in 1963. That was \$61,942,000.

There were 6,100 housing units authorized and funded last year on Federal property. Assuming the same number would be authorized this year, that would give about 6,700 additional children of the (a) category on Federal property.

The increase otherwise, from the regular birth rate increase, around these military installations, and the reclamation projects, would bring about another 9,800; would make up the \$23 million for Public Law 815.

Mr. FOGARTY. What is the current estimate of 1963 entitlements?

Mr. LILLYWHITE. Approximately \$63 million.

RECOMMENDED CHANGES

Mr. FOGARTY. What changes is the administration recommending in the act to be effective after 1964.

Mr. LILLYWHITE. The rate of payments would be reduced for the (b) category children, from 50 percent of the construction cost in the

State, to 45 for the first year, and for the second year, after 1964, would be reduced to 40 percent for (b) category children.

Mr. FOGARTY. The same as assistance to the school districts?

Mr. LILLYWHITE. Yes, it is the same rate of reduction. That is, it is 5 percent and roughly—

Mr. FOGARTY. 45?

Mr. LILLYWHITE. That's right. Roughly, it corresponds to the local contribution rate which is 50 percent for the (b) category.

The national average cost of construction—that is, the (a) category cost—this year, is \$1,300 per child, on which entitlement rates are based.

Mr. FOGARTY. That isn't going down, is it?

Mr. LILLYWHITE. It stayed just about the same from 1962 to 1963. We get reports from each of the States. There is a basis for settling these entitlement rates for all construction entered into for new school facilities during the preceding year.

Then we take the basic contract cost per square foot and are authorized by the law to make an estimate for other costs than the basic construction costs; that is, the equipment, the engineering and legal fees. A few of the States went down this year, and a few States went up. The average figures stayed about the same, and we estimate it will be \$1,300 per child for 1964.

AMOUNT BUDGETED FOR HHFA

Mr. FOGARTY. There is a \$64,000 increase requested for Housing and Home Finance.

How much of this requested increase is Pay Act cost?

Mr. LILLYWHITE. About \$40,000.

Mr. FOGARTY. \$40,000?

Is the amount requested for Housing and Home Finance based on the extension of the temporary provisions, or will there be a supplemental request if the temporary provisions are extended?

Mr. SEWARD. Mr. Fogarty, in connection with that, sir, you realize in our operations, we are virtually a year behind. Our costs in the current fiscal year are on projects that were authorized last year.

It is better than a year between the time that the appropriation is made, and the facility is actually constructed.

The money that we are requesting for 1964 is very largely made necessary by the \$62 million appropriation that your committee made available for this year.

The reduction to the \$23 million by the elimination of the temporary sections of the act would not be reflected in our cost until the following year, sir.

Mr. FOGARTY. I see.

How does this tie in with the President's manpower directive?

Mr. LILLYWHITE. Well, the only thing I can say on that, so far as our actions on applications are concerned, we do get notice of speeding up public works, if that is what you are referring to, and we took as rapid action as we could on projects before us—got the approval.

Mr. FOGARTY. No. We asked the same question of other people that have come before us, and that is getting more productivity per person so more people don't have to be added to the payroll.

Mr. KEPPEL. That is another question.

STATE ALLOCATIONS UNDER EXTENSION OF PUBLIC LAWS 874 AND 815

Mr. HUGHES. Mr. Chairman, I might call attention to the fact we have prepared a State-by-State distribution of the amounts that would be involved in the extension of the legislation in both laws.

Mr. FOGARTY. Put those in the record.

(The material follows:)

Payments to school districts, Public Law 874, estimated entitlements, fiscal year 1964

State or possession	Existing legislation	Proposed legislation	Total
Total.....	\$104,466,000	\$216,204,000	\$320,670,000
Alabama.....	1,042,400	5,983,800	7,026,200
Alaska.....	6,979,400	1,860,400	8,839,800
Arizona.....	3,980,000	2,765,700	6,745,700
Arkansas.....	576,700	1,277,200	1,853,900
California.....	13,340,000	40,756,100	54,036,100
Colorado.....	2,152,300	7,151,100	9,303,400
Connecticut.....	288,200	2,905,500	3,193,700
Delaware.....	744,200	284,100	1,028,300
Florida.....	2,416,000	6,838,000	9,254,000
Georgia.....	2,374,000	6,326,900	8,700,900
Hawaii.....	3,296,000	3,120,000	6,416,000
Idaho.....	911,300	1,550,000	2,491,300
Illinois.....	2,755,100	2,962,400	5,717,500
Indiana.....	616,600	1,051,700	1,668,300
Iowa.....	182,400	899,000	1,081,400
Kansas.....	2,273,500	5,303,600	7,583,100
Kentucky.....	4,142,600	1,467,200	5,609,800
Louisiana.....	370,500	881,600	1,252,100
Maine.....	1,423,900	1,260,900	2,684,800
Maryland.....	1,554,200	10,748,100	12,302,300
Massachusetts.....	2,555,800	7,134,400	9,690,200
Michigan.....	1,684,200	1,188,900	2,873,100
Minnesota.....	504,900	146,800	651,700
Mississippi.....	613,900	1,778,800	2,392,700
Missouri.....	1,155,600	2,384,800	3,540,400
Montana.....	2,100,300	740,300	2,840,600
Nebraska.....	1,467,200	2,115,800	3,583,000
Nevada.....	1,049,700	988,000	2,037,700
New Hampshire.....	617,300	1,097,000	1,714,300
New Jersey.....	2,960,000	4,865,900	7,825,900
New Mexico.....	3,293,300	3,425,300	6,718,600
New York.....	2,750,000	5,647,100	8,397,100
North Carolina.....	4,693,000	2,008,600	6,701,600
North Dakota.....	905,500	283,900	1,189,400
Ohio.....	664,200	6,639,900	7,304,100
Oklahoma.....	2,630,300	7,107,400	9,737,700
Oregon.....	416,300	1,128,700	1,545,000
Pennsylvania.....	560,300	6,399,600	6,959,900
Rhode Island.....	891,800	1,991,600	2,883,400
South Carolina.....	1,380,800	3,947,400	5,328,200
South Dakota.....	1,500,400	1,653,200	3,153,600
Tennessee.....	271,500	2,992,900	3,264,400
Texas.....	4,670,000	13,512,000	18,182,000
Utah.....	374,900	2,555,800	2,930,700
Vermont.....	17,600	57,000	74,600
Virginia.....	4,829,000	17,860,000	22,689,000
Washington.....	3,610,900	9,278,200	12,889,100
West Virginia.....	8,200	175,100	183,300
Wisconsin.....	247,700	664,900	912,600
Wyoming.....	726,900	483,100	1,210,000
Guam.....	601,300	461,200	1,062,500
Puerto Rico.....	3,108,000		3,108,000
Virgin Islands.....	31,300	61,100	92,400
Wake Island.....	154,600		154,600

Assistance for school construction, Public Law 815, estimated entitlements, fiscal year 1964

State or possession	Existing legislation	Proposed legislation	Total
Total.....	\$23,800,000	\$37,984,000	\$61,784,000
Alabama.....	368,400		368,400
Alaska.....	1,447,900	1,224,600	2,672,500
Arizona.....	1,063,000	1,563,200	2,626,200
Arkansas.....	70,400	565,700	636,100
California.....	6,843,300	1,690,400	8,533,700
Colorado.....	111,500	1,416,700	1,528,200
Connecticut.....		2,002,600	2,002,600
Delaware.....	167,600		167,600
Florida.....	129,300	3,737,700	3,867,000
Georgia.....	333,800	1,057,300	1,391,100
Hawaii.....	246,200	253,800	500,000
Idaho.....	130,500	986,200	1,116,700
Illinois.....	447,100		447,100
Indiana.....	180,100		180,100
Iowa.....	47,300		47,300
Kansas.....	471,200	179,600	650,800
Kentucky.....	586,500		586,500
Louisiana.....	155,000		155,000
Maine.....	267,800	1,130,200	1,398,000
Maryland.....	419,100	3,461,000	3,880,100
Massachusetts.....	462,800	413,800	876,600
Michigan.....	1,479,200	941,700	2,420,900
Minnesota.....	238,100		238,100
Mississippi.....		25,300	25,300
Missouri.....	543,900		543,900
Montana.....	188,700	1,750,300	1,939,000
Nebraska.....	73,600	1,700,900	1,774,500
Nevada.....	222,600	1,102,500	1,325,100
New Hampshire.....	54,600		54,600
New Jersey.....	770,800	149,700	920,500
New Mexico.....	308,400	973,700	1,282,100
New York.....	659,000	418,400	1,077,400
North Carolina.....	930,600	32,600	963,200
North Dakota.....	149,400	583,300	732,700
Ohio.....		1,184,600	1,184,600
Oklahoma.....	323,400	1,329,700	1,653,100
Oregon.....	23,600		23,600
Pennsylvania.....	25,500	11,600	37,100
Rhode Island.....		97,700	97,700
South Carolina.....	81,700	579,900	661,600
South Dakota.....	555,900	1,367,100	1,923,000
Tennessee.....	62,200		62,200
Texas.....	843,300	2,208,900	3,052,200
Utah.....	201,100	720,500	921,600
Vermont.....			
Virginia.....	448,200	2,449,400	2,897,600
Washington.....	481,300	306,100	787,400
West Virginia.....		63,200	63,200
Wisconsin.....		209,700	209,700
Wyoming.....	29,300	11,200	40,500
Guam.....			
Puerto Rico.....	274,100		274,100
Virgin Islands.....			
Wake Island.....	22,700	83,200	105,900
Technical services.....	860,000		860,000

DEFENSE EDUCATIONAL ACTIVITIES

Mr. FOGARTY. Now, for defense educational activities, the appropriation for 1963 is \$229,450,000 and the request for 1964 is \$229,620,000, an increase of \$170,000, made up of several small increases and a decrease due to adjustment of unobligated balances.

Since these unobligated balances are a little complicated, would you put a statement in the record setting forth the estimated unobligated balances at the end of 1963 and 1964, by activities, with an explanation of each and an indication of what balances lapse, and what ones carry forward to the next year?

Mr. KEPPEL. Yes, sir.

(The information follows:)

Defense educational activities, fiscal year 1963

Description	Appropriation including available carryover funds	Estimated obligations	Carryover to 1964	Unobligated balances—lapse
1. Student loans:				
(a) Contribution to loan funds.....	\$90,000,000	\$90,000,000	-----	-----
(b) Loans to educational institutions.....	1,270,000	900,000	-----	\$370,000
(c) Cancellation of student loans.....	30,000	30,000	-----	-----
2. Science, mathematics, and foreign language instruction:				
(a) Acquisition of equipment and minor remodeling:				
(1) Grants to States.....	83,138,927	45,123,245	\$34,562,590	3,453,092
(2) Loans to nonprofit private schools.....	6,480,000	1,500,000	-----	4,980,000
(b) Grants to States for supervision and administration.....	3,750,000	2,882,130	-----	867,870
3. National defense fellowships.....	21,200,000	21,200,000	-----	-----
4. Guidance, counseling, and testing:				
(a) Grants to States.....	15,000,000	14,950,584	-----	49,416
(b) Institutes for counseling personnel.....	7,250,000	7,250,000	-----	-----
5. Advanced training in foreign areas and languages:				
(a) Training centers.....	6,200,000	6,200,000	-----	-----
(b) Institutes for language teachers.....	7,250,000	7,250,000	-----	-----
(c) Research.....	1,800,000	1,800,000	-----	-----
6. Educational media research.....	5,000,000	5,000,000	-----	-----
7. Grants to States for area vocational programs.....	15,000,000	15,000,000	-----	-----
8. Grants to States for statistical services.....	1,700,000	1,700,000	-----	-----
Total.....	265,068,927	220,785,959	34,562,590	9,720,378

Defense educational activities, fiscal year 1964

Description	Appropriation including available carryover funds	Estimated obligations	Carryover to 1965	Unobligated balances—lapse
1. Student loans:				
(a) Contribution to loan funds.....	\$90,000,000	\$90,000,000	-----	-----
(b) Loans to educational institutions.....	900,000	900,000	-----	-----
(c) Cancellation of student loans.....	350,000	350,000	-----	-----
2. Science, mathematics, and foreign language instruction:				
(a) Acquisition of equipment and minor remodeling:				
(1) Grants to States.....	82,082,590	45,164,135	\$32,820,531	\$4,097,924
(2) Loans to nonprofit private schools.....	6,480,000	1,500,000	-----	4,980,000
(b) Grants to States for supervision and administration.....	3,750,000	2,941,355	-----	808,645
3. National defense fellowships.....	21,200,000	21,200,000	-----	-----
4. Guidance, counseling, and testing:				
(a) Grants to States.....	15,000,000	14,950,743	-----	49,257
(b) Institutes for counseling personnel.....	7,250,000	7,250,000	-----	-----
5. Advanced training in foreign areas and languages:				
(a) Training centers.....	6,200,000	6,200,000	-----	-----
(b) Institutes for language teachers.....	7,250,000	7,250,000	-----	-----
(c) Research.....	1,800,000	1,800,000	-----	-----
6. Educational media research.....	5,000,000	5,000,000	-----	-----
7. Grants to States for area vocational programs.....	15,000,000	15,000,000	-----	-----
8. Grants to States for statistical services.....	1,920,000	1,920,000	-----	-----
Total.....	264,182,590	221,426,233	32,820,531	9,935,826

BRIDGES AMENDMENT

Mr. FOGARTY. I notice you are not asking for removal of the so-called Bridges amendment from the appropriation language this year. Is that an oversight or are you just being practical?

Mr. HUGHES. No, sir. That is not an oversight. We intentionally refrained from requesting the striking of that language.

I believe there is a rule of thumb that we ask for such modifications twice, and give up the third time, and this was the case here.

RELATION OF BUDGET REQUESTS TO FULL AUTHORIZATION

Mr. FOGARTY. What parts of the program are budgeted for the full amount of the authorization and which ones are not, and why are they lagging behind?

Most of them are at the maximum, are they not?

Mr. KEPPEL. Yes.

Mr. HUGHES. If I might comment, sir, the amounts for the student loan program are at the full amount of the authorization. That is, title II, the student loan program, which amounts to \$90 million.

Title III of the act divides into three parts: Part (a) provides for the acquisition of equipment and minor remodeling in areas of mathematics, science, and foreign language, which is subdivided into grants to States and loans to nonprofit private schools.

The request here is for a \$54 million appropriation against a \$70 million authorization and the request is for less than the full authorization since the history of this program, indicates that the States, by and large, have been unable to match the full amounts of the Federal authorizations; overall two-thirds of the funds are carried from the first year of appropriation to the second year of availability, because of the 2-year availability feature of the grant provision.

Mr. FOGARTY. Yes.

Mr. HUGHES. Furthermore, the amount that has been provided for loans to nonprofit private schools since the beginning of the program has been in excess of the demands for such loans, and the appropriation of \$6,480,000 for fiscal 1964 is estimated against a need of about a million and a half dollars.

The last part of this title III account is \$3,750,000 requested against an authorization of \$5 million for supervision and administration of State programs. Again, it is our judgment that the amount requested here takes care of the needs of practically all of the States, because of the inability to obtain full matching funds in many of the States.

Therefore, we are at less than the full authorization in the mathematics, science, and foreign language provisions of title III of the NDEA.

In the case of title IV, national defense fellowships, we have again requested the amounts needed to fund the full amount of the authorization of 1,500 fellowships.

Title V, guidance counseling and testing, the amounts requested are at the full amount of the authorization; namely, \$15 million for grants to States and \$7,250,000 for institutes for counseling personnel.

In the case of advanced training in foreign language areas, title VI of the NDEA, we are again requesting the full amounts of the authorized appropriation, which amounts to \$8 million for training.

centers and research and fellowships, under part A, and \$7,250,000 for institutes for language teachers under part B of title VI.

In the case of educational media research, title VII of the NDEA, the authorization is for \$5 million, and the request for appropriation is \$5 million.

Title VIII of the National Defense Education Act authorizes grants to States for area vocational technical programs. The authorization is \$15 million and the request is \$15 million.

In the case of title X, there is an authorization for payments to each State up to \$50,000. We have requested in the fiscal year 1964, \$1,920,000 which is estimated to be the amount that would be requested by all the States, up to this maximum payment.

I think that completes, Mr. Chairman, a summarization of the titles, their authorization, and the amounts requested.

STUDENT LOANS

Mr. FOGARTY. About half of the program increase is \$320,000, due to cancellation of student loans.

What is the explanation of this?

Mr. HUGHES. The Federal act provides that the Federal Government bears the responsibility for the deficits in the loan funds caused by the cancellation of one-half of the loan, where graduate borrowers enter public school teaching, and it is necessary for us to request an appropriation to pay the institutions for their share of the cancellation feature of these loans.

In other words, there is an estimated loan cancellation in fiscal 1964, of \$3,500,000, and we are estimating the Federal contribution to the institutions to cover their 10 percent of the share at \$350,000.

Mr. KEPPEL. Mr. Chairman, if I may comment, the cancellation feature is 10 percent per annum for 5 years, in which the individual teaches. This would account for that.

COLLECTING LOANS WHEN DUE

Mr. FOGARTY. Are you having trouble in collecting these loans?

Mr. KEPPEL. Mr. Chairman, this is a question that I asked when I got on the job, and I was informed that the amount of dollars, which were stated to be uncollectible, and on which they had given up collecting these loans, as of the time the investigation was made, would be the unbelievably small figure of \$700.

I don't mean to imply, Mr. Chairman, that all the borrowers have been paying on time because there had been delays, but where the collectors, which are the colleges, had given up on collection, it is only \$700. It is an astonishingly small figure.

The repayment rate has been more rapid by the individuals than the schedule of planned repayments would suggest. If my memory is correct, there had been repayments up to now of about \$5 million. Am I correct here, \$5 million?

It is at the moment going at roughly twice the expected or predictable rate. However, I should emphasize, Mr. Chairman, we are just getting into that phase of the show, and I don't think the figures of today will necessarily apply a year or two from now. These are only yearly statistics.

Mr. FOGARTY. Is Indiana University an exception to the rule? I ask that because of this article in the Wall Street Journal dated September 12, 1962.

Mr. KEPPEL. Mr. Mildenerger might have some comments.

Mr. FOGARTY. He says he has in mind several recent graduates who were recipients of loans under a joint Federal-university program.

I can't find nine former students who owe us and Uncle Sam a total of \$20,000 in loan funds * * *. But the thought that scares the devil out of me is that if we have problems collecting on only 280 loans now, what will we do in 5 years when we'll have about 2,000? * * *

Also disturbing to some educators is the extent of Federal involvement in student loans; a number of colleges are shying from participation in the Government loan program because of fears it could lead to Federal influence over their affairs.

Are there many colleges that are not participating in this loan program because of that?

Mr. KEPPEL. Mr. Mildenerger will be able to tell you something on that. I just don't believe it.

Mr. MILDENBERGER. Mr. Chairman, we have no knowledge of any institutions not participating because of fear of Federal control.

On the contrary, our administrative attitude here is to put the management of the program heavily in the hands of the institution. The only information we have, concerning institutions, which have withheld from participation, had to do with the affidavit problem, and that problem we hope will be disappearing in the coming year to a considerable extent.

I would like to say something about the Wall Street Journal article and the nine unfindables that were mentioned at Indiana University.

The article dramatized these nine considerably.

On checking with Indiana University, we received a report that in June and July of last summer, in checking on their repayments, nine borrowers could not be located. However, within a short time, a period of 30 to 60 days, the business office located five of the nine, simply by examining other campus records. Within another short space of time, the business office located three additional borrowers, through the services of the Retail Credit Association; and by January, the parents of the ninth borrower had been located.

The problem here is of course, these are young college students, just leaving college—a very mobile group of people—searching for jobs; moving around, and certainly, they will get out of touch. But our attitude, and the attitude of the institutions who have any experience with loan programs, is that with perseverance and patience, the collections will be made almost completely, and I think our evidence shows that the Indiana University situation was quickly cleared up.

Mr. HUGHES. I might say, Mr. Chairman, that we have audited the accounts of over 500 institutions, and are on the alert for problems of this kind. We have found that the collection procedures are generally enforced effectively and that collections have been generally ahead of schedule in the institutions.

ALLOCATION OF LOAN FUNDS BY STATES

Mr. FOGARTY. Is this table right, on page 82, as far as Rhode Island is concerned?

You show an allocation of \$870,000 in 1963 and only \$491,000 in 1964.

Mr. MILDENBERGER. Which State is that, sir?

Mr. FOGARTY. Rhode Island.

Mr. HUGHES. The figure that appears in the 1963 column, Mr. Chairman, is the amount that has resulted after the reallotment provisions of the law are invoked, and the institution requests have been stacked up against the State allotments.

It shows in the case of Rhode Island, the result has been to increase the amount available to Rhode Island institutions over their original allotment.

The amount shown in the 1964 column is the original allotment, and of course, would be subject to that same adjustment.

RESEARCH GRANTS AND CONTRACTS

Mr. FOGARTY. Why is there an increase budgeted for contracts and less for grants under the educational media program?

Dr. Derthick made quite a plea for this program, didn't he?

Mr. FLYNT. There have been two significant changes in the program.

We originally developed research in the general applications of media. We now seek to apply new media in specific subject matter fields such as: science, mathematics, English, and so forth, with a great increase in research in the application of media to the teaching of foreign languages.

We have also tried to do another thing which we think significant, trying to amass research evidence on programed learning, or to use the more common term, teaching machines—to make sure its professional use and utilization is an operation of integrity.

We have made a great thrust forward in this program.

RESULTS OF RESEARCH IN EDUCATIONAL MEDIA PROGRAM

Mr. FOGARTY. What are some of the worthwhile results of this program?

Mr. FLYNT. With your permission, Mr. Chairman, I would like to put in the record a list of projects which we regard as worthwhile.

Mr. FOGARTY. All right, put it in the record.

(The information follows:)

COMPLETED RESEARCH PROJECTS, TITLE VII, PART A

1. Television

A study at Syracuse University indicates that although the inexperienced teacher in the classroom can teach factual information as well as the experienced teacher can on television, the experienced teacher is more effective in teaching students to apply principles, interpret data, and see the relationships among subject areas.

(This study suggests that television may permit a division of labor between the superior and the average teacher.)

A study at San Jose (Calif.) State College determined that group observation of televised classroom activities in the elementary schools can replace at least 75 percent of the live observation of elementary school classes now required of prospective teachers with no loss of effectiveness.

(Use of remote control television may be able to provide more observation experience for the teacher trainee while reducing interference with public school classes.)

A series of experiments conducted by the American Institute for Research demonstrated that (a) learning from educational television programs can be increased if the programs are pretested on representative students and then revised before being broadcast; (b) television programs which require students to participate actively by answering questions or anticipating the solution to problems lead to increased learning; and (c) students can be stimulated to perform scientific experiments at home if they observe in-school telecasts of fellow students performing similar experiments.

(These results point to a number of ways of producing more effective educational television programs.)

2. Audiovisual materials

A study at New Mexico Highlands University demonstrated that extensive use of films, filmstrips, slides, and recordings resulted in generally better learning in English and language arts by Spanish-speaking children than did conventional instruction.

A project at the University of California, Los Angeles, suggests that it is educationally feasible to prepare simple, low-cost films, with appropriate pace and language level, for mentally retarded children. Such films appear to be able to teach principles and attitudes which are retained for at least short periods of time.

3. Programed instruction (teaching machines)

The American Institute for Research determined that the use of programed self-instructional materials in conventional teaching resulted in increased learning by high school students in both college preparatory and general education courses of study. (This finding refutes some claims that programed instruction should be viewed as a replacement for teachers.)

The Partlow, Ala., State School found that programed instruction permitted mentally retarded children to learn addition and subtraction more rapidly than conventional instruction.

DISSEMINATION AND DEVELOPMENT CONTRACTS, EDUCATIONAL MEDIA PROGRAM, TITLE VII, PART B

1. Fact-finding projects

Surveys, studies, and conferences to determine status or establish guidelines in such areas as instructional resource personnel, equipment and facilities, architectural requirements, and so on.

(a) National survey of audiovisual equipment and materials in public schools (Bureau of Social Science Research).

(b) National study of the role of the State department of education in encouraging and administering new instructional resources in school systems (University of Southern California).

(c) National study of the needs of education for television channel allocations, including engineering computer analyses of channel data (National Association of Educational Broadcasters).

(d) Joint committee to establish standards and guidelines for the purchase and use of programed instruction (teaching machine) materials (American Educational Research Association, American Psychological Association, and Department of Audiovisual Instruction). Two interim reports issued to date, widely published in professional journals.

(e) Technical guide for the purchase and use of language laboratory facilities, prepared by a joint committee of the Electronic Industries Association and the Office of Education.

(f) Guide to planning school buildings for the use of new media (Portland State College).

(g) National conference on new media in teacher education, attended by 70 deans and presidents of teachers colleges leading to a major AACTE study in this area (American Association of Colleges for Teacher Education).

2. Disseminating information

Films, publications, exhibits, conferences about research, standards, trends, and applications.

(a) National exhibit on programed instruction and teaching machines, a 10,000 square foot, walk-through exhibit being toured to over 32 stops at national conferences and meetings throughout the United States, with consultants on duty at each stop. Over 20,000 people to date have viewed the exhibit at 11 stops (Center for Programed Instruction).

(b) Programs 1962, the only annotated catalog of all programed instruction materials available, over 20,000 copies distributed and now being revised for 1963 (Center for Programed Instruction).

(c) "Educational Television: The Next Ten Years," a report prepared by study teams throughout the country on educational television's programming, support, personnel, and other needs for the next 10 years (Stanford Institute for Communication Research).

(d) Four films on the impact of new communications media and methods on education, presenting in graphic and animated form theories of instructional communication of the Nation's key authorities (Ohio State University).

(e) A series of films on the use of new instructional resources in the teaching of science, mathematics, and foreign languages, this series viewed over more than 40 educational television stations, many commercial stations, and deposited with State departments of education throughout the country for use in teacher training (National Educational Television and Radio Center).

(f) Regional research conference to disseminate information on research underway and needed on the use of new media in education (University of Colorado, Sacramento State College, Pennsylvania State University, Michigan State University).

3. Training

Demonstrations, studies, conferences, and so on, to establish guidelines and to encourage new programs.

(a) National study to determine the kinds of teacher training which should be offered to prepare teachers for schools of the future which will use the new instructional resources more extensively (American Association of Colleges for Teacher Education).

(b) New media demonstration project, an extensive project in cooperation with the Texas Education Agency, which brings together expert teachers in various subject areas who use new instructional resources effectively, these teachers then being trained to conduct demonstrations throughout the State in new methods and materials. Over 27,000 teachers have heard and seen project teachers present more than 600 subject matter demonstrations. Other State departments of education have viewed this project with considerable interest.

(c) A series of national seminars to determine training needed to prepare specialists to manage TV, audiovisual, and other new media resources (Alameda State College).

(d) Preparation of teams to undertake demonstrations of new media resources throughout the country. Six teams were prepared for six regions of the country and several score demonstrations undertaken to date by the teams so prepared (San Jose State College).

(e) Demonstration project using television to train teachers in the uses of new instructional resources. A series of 45 TV lessons carefully prepared by new media experts throughout the country and used in correspondence and in-service training in various States (University of Wisconsin).

4. Encouraging application and stimulation of educational change

Demonstration, advisory and consultant services and so on to encourage new developments.

(a) Texas educational microwave project, a demonstration connecting 11 institutions of higher education by educational microwave television so that these institutions can share courses. This is the first effort of its kind in the country whereby various private and public institutions of higher education use the teaching resources of other institutions in the group (University of Texas).

(b) Technological development project, a 2-year assessment of new media developments in education, culminating in a series of 15 occasional papers, several monographs, and a major book, including studies on systems of media in education, equipment design, history of instructional technology, and so on (National Education Association).

(c) Advisory and assistance contract to plan the new Stephens College instructional resources center, a unique concept of a major campus facility devoted to instructional resources of all kinds for all subject areas.

5. *Providing national services*

National bibliographic, materials exchange, and other services necessary for the development of instructional resources nationally, regionally, and locally.

(a) A national and two regional instructional television libraries (New York, Lincoln, and Boston). These libraries were set up to exchange between school systems and educational TV stations, the more than 500 TV courses developed locally during the past several years. Previous to this service, no mechanism existed for sharing these TV materials.

(b) Educational Media Index, an 18-volume annotated directory of some 80,000 items, including films, kinescopes, teaching machine materials, slide sets, filmstrips, language recordings, and other materials useful in instruction, listed by grade level and subject area. To be available late in 1963, this is the first comprehensive national service of this kind anywhere in the world (Educational Media Council).

(c) Research abstracting service, a project to abstract and distribute widely sets of abstracts on completed research projects having to do with the preparation and use of new instructional materials in education (National Education Association).

(d) Research information service and pilot automated data storage and retrieval service at Western Reserve University to make possible the rapid location of information on research having to do with instructional resources and their use in education. This is the first U.S. attempt to establish such a service.

Mr. FLYNT. May I draw attention of the committee to one or two specific activities. We are concerned with wide development of criteria for the judging of teaching machines, another of the use of language laboratories, and an extensive project carried out at the University of Southern California relating to the impact of technology on the teaching process and on the administration and operation of school systems.

The report on the latter was used to open our demonstration center in the last few weeks and has been very favorably received.

SHIFT FROM GRANTS TO CONTRACTS

Mr. FOGARTY. But you never did quite answer the question we asked: Why are you spending more money on contracts and less on grants?

Mr. FLYNT. In the case of the research grant, we are frequently able to grant sufficient sums to complete the projects without extension.

In the case of a contract for dissemination, we frequently have to use the annual technique to continue the project.

We can sometimes clean up a project with a grant—but in the case of a contract, we have to—we cannot get everything done in 1 fiscal year, generally speaking.

Mr. HUGHES. Also it is a reflection here, sir, of a continued shift in emphasis of the program since its inception toward the dissemination aspects. The grant has been authorized only for the research aspects; the contract is the only instrument we may use for dissemination. So there is—

Mr. FOGARTY. You do not mean to tell me the grants are on a full funding basis, do you?

Mr. HUGHES. No, sir, I do not mean to tell you that.

Mr. FLYNT. Part A grants and contracts were for research, part B contracts for dissemination. A shift of emphasis has been toward more dissemination projects.

RESULTS OF RESEARCH IN EDUCATIONAL MEDIA PROGRAM

Mr. KEPPEL. Mr. Chairman, may I make a personal comment on your earlier question?

Mr. FOGARTY. Surely.

Mr. KEPPEL. As to what results are coming out of this kind of support in research and development.

In my former position, I was quite active in the so-called teaching machine area, developed by Professor Skinner at Harvard. I would regard this as one of the most promising developments, providing we can control it, in the last 25 years in the American scene.

The problem has been that the machine has attracted most of the attention, which it should not, rather than the content of the instruction that goes into that machine; the programing for the machine is the main point. But I think there is very little question in some areas, not all academic or in school areas but in some areas this can be the instrument much more readily adjusted for certain kinds of teaching, maybe the more rote subjects at the pace the child is able to learn it.

This is an extraordinarily important development. Professor Skinner has been operating on a grant for quite a while. This is simply one that comes out of my own experience.

I would not like for the committee to feel this is in any sense an answer to all the questions or method of reducing costs. This is an expensive gain for the local schools. But I think it can provide both flexibility and higher quality if we use it well.

Mr. FLYNT. In the earlier stages of the program, Mr. Chairman, there were, of course, larger projects. As time has gone along completion of these projects has revealed gaps in the research, and this accounts for a good many smaller research grants. We do not have as many grants as we had originally.

INTERNATIONAL EDUCATION RESEARCH

Mr. FOGARTY. The justifications say you will launch an international education research program in 1964. What is this all about?

Mr. HUGHES. Referring, sir, to the title 7 program, educational media?

Mr. FOGARTY. Yes, on page 139.

Mr. FLYNT. We have for some time been concerned with the international aspects of media. There are a number of international organizations concerned with this. In order to play the leading part in the United States—leadership is expected here—we have been concerned with attempting to find out what other nations have done.

Some have been very successful, Japan and Italy notably. We try to ascertain how these operate, measure their effectiveness, see if they have lessons for us.

Mr. FOGARTY. Do you think they have?

Mr. FLYNT. I think so. Certainly from my own personal knowledge, the education program in Italy known as Telescuola has some very definite lessons for us, especially in the field of illiteracy and adult education.

Mr. FOGARTY. Is that a problem in this country?

Mr. FLYNT. Yes, it is.

Mr. FOGARTY. More so in some States than in others?

Mr. FLYNT. Yes, it is.

STATES USING FULL ALLOTMENT OF AREA VOCATIONAL EDUCATION FUNDS

Mr. FOGARTY. Are all States using their full allotment of funds under their area vocational education program?

Mr. ARNOLD. There are 18 States and other jurisdictions that do not use all of their entitlement and another 36 that do use it as a result of reapportionment of the funds.

Mr. FOGARTY. Give us a breakdown of those 18 that do not and the 36 that do.

(The list follows:)

TECHNICAL EDUCATION PROGRAMS UNDER TITLE III OF THE GEORGE-BARDEN ACT, FISCAL YEAR 1963

(Title VIII of the National Defense Education Act of 1958)

States using full allotment:

Arizona
California
Colorado
Connecticut
Delaware
Florida
Georgia
Idaho
Indiana
Iowa
Louisiana
Maine
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Montana
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
Oklahoma
Oregon
Pennsylvania
South Carolina

States using full allotment—Continued

Texas
Utah
Vermont
Washington
Wisconsin
Wyoming
Guam
Virgin Islands

States not using full allotment:

Alabama
Alaska
Arkansas
Hawaii
Illinois
Kansas
Kentucky
Missouri
Nebraska
North Dakota
Ohio
Rhode Island
South Dakota
Tennessee
Virginia
West Virginia
District of Columbia
Puerto Rico

Mr. FOGARTY. In total, how much is being spent from State and local funds for this program?

STATE MATCHING

Mr. ARNOLD. The overmatching is \$1.23, a combination of State and local dollars to the Federal dollar; \$1.23 to the Federal dollar.

Mr. HUGHES. This would make a combined total of about \$31,-250,000.

Mr. FOGARTY. I think, Commissioner, you mentioned in vocational education \$4.51.

Mr. HUGHES. This was all programs.

Mr. FOGARTY. Is that still going up?

I know over the past years it has shown an increase almost every year, has it not?

Mr. ARNOLD. It increased about 22 cents for all programs since last year.

Mr. FOGARTY. I see. So it still is going up.

Mr. ARNOLD. It is continuing.

Mr. FOGARTY. I see.

Mr. Denton?

Mr. DENTON. There are not many changes in your appropriation for this year compared with those for last year, are there?

Mr. HUGHES. No.

Mr. KEPPEL. No, sir; that is right.

VOCATIONAL EDUCATION FUNDS FOR SAMOA

Mr. DENTON. Now, regarding vocational education, I am very glad you have \$40,000 for Samoa.

As the chairman said, I am on the Interior Appropriations Committee, too, and as you probably know, we have had quite a problem about seeing that they had adequate schools and hospitals in Samoa. The chairman of the committee has been there and the clerk, and there has been quite a campaign on to see that the people on those islands have adequate schools and facilities.

I am very pleased that you are going to see that those people on the island have the same advantages as the people in the rest of the United States.

AID TO SCHOOLS IN FEDERALLY IMPACTED AREAS

Now pass down to "Impacted areas appropriation." Mr. Lillywhite knows we had some little difficulty enacting that legislation 10 or 12 years ago, the same as we have in better aid to education now. But that law has gone a great deal farther than we ever intended it should.

For example, I live in Montgomery County, in Maryland, and I used to live over in Arlington County, in Virginia. In both of those counties the Government grants school aid because people work for the Government in Washington.

I do not think it was ever contemplated that that act would cover a situation of that kind.

PROPOSED INCLUSION OF DISTRICT OF COLUMBIA

I noticed your statement that they were also going to cover the District of Columbia.

Now, we have one act in to provide that the payment that the Government makes to the District of Columbia will be increased so that it will be just the same as if the Government were paying taxes here as a private citizen.

If that legislation goes through, is it also contemplated to give the District of Columbia this extra money?

Mr. KEPPEL. I think I know the answer, sir, but I prefer to hear it from Mr. Lillywhite.

Mr. LILLYWHITE. I think that the basic appropriations to the District of Columbia would be whatever the committee and the Congress decides it should be, taking into account what this additional amount would be if they are brought under 874.

Mr. DENTON. Mr. Lillywhite, you remember when this law was first passed, it—the argument was the Government should be a good citizen and since I wasn't required to pay taxes for this Government property and, since it did cause the community a great deal of expense in school, it should voluntarily make payment to the local community schools.

Now, what I don't get is if the Government is going to pay a share equal to the taxes a private citizen would pay for its District of Columbia property, are they also going to pay money for schools under the Federal Impact Act?

Mr. LILLYWHITE. Of course, the District of Columbia is the only place that has a basic appropriation, the only one of the so-called impacted areas that has a basic appropriation. And if you will recall, that is the reason why the House committee did not include Public Law 815 and 874 when they made their original recommendation.

Mr. DENTON. That is just what I am asking: If the Government pays the District of Columbia a sum equal to the taxes a private citizen would pay, then is the Government also going to pay money under the Federal impact laws?

Mr. LILLYWHITE. Well, bringing the District under the Federal impact laws would make them eligible for somewhere around \$4 to \$5 million in 1964. That would be the approximate amount of their entitlement on the basis of a survey they took last year.

Mr. DENTON. And you are giving that and also you have the Government paying taxes to the District?

Mr. LILLYWHITE. Whether they would want to deduct that amount or take it into account in the other appropriations made to the District—

Mr. DENTON. Well, sir, could you just tell me if the District's money is increased so it would be just the same as if the Government was paying taxes; are you also going to give money under the Federal impact law?

Mr. LILLYWHITE. Well, I think I would have to say this, Mr. Denton, that if the act is amended to bring the District of Columbia under it we would have to pay them upon the application.

Mr. DENTON. So you would pay them twice?

Mr. KELLY. I don't think we probably could answer the question with respect to the other law but I would be glad to get an answer and provide it to you.

Mr. DENTON. I realize Congress enacts the law. What I am trying to get is your recommendation.

Mr. KELLY. Our recommendation refers to 815 and 874. You are referring to another piece of legislation in which they will compute—

Mr. DENTON. When you make your recommendation are you going to take into account some of the other payments of the Government to the District?

Mr. KELLY. We would not but I would like to try to find out the answer for you along this authorized value of total taxes as to whether it is or is not.

PARTICIPATION IN NDEA PROGRAM

Mr. DENTON. Now, to get back to the education act, at one time they told me that all the colleges in Indiana were taking advantage of this program except Wabash, Hanover, and Depauw.

Would somebody put in the record if that is still the situation?

Mr. KEPPEL. We certainly can put it in the record.

Do you happen to have the facts with you, Mr. Mildenerger?

Mr. MILDENBERGER. No.

Mr. KEPPEL. We will put it in.

(The information follows:)

ACCREDITED INSTITUTIONS IN INDIANA NOT PARTICIPATING IN ANY NDEA PROGRAM, FISCAL YEAR 1963

Capuchin Seminary of St. Mary, Crown Point	John Herron Art School, Indianapolis
Concordia Senior College, Fort Wayne	St. Meinrad Seminary, St. Meinrad
Fort Wayne Art School, Fort Wayne	Tri-State College, Angola
Franklin College of Indiana, Franklin	Valparaiso Technical Institute, Valparaiso
Hanover College, Hanover	Wabash College, Crawfordsville

COLLECTION OF STUDENT LOANS

Mr. DENTON. In the defense education program you spoke about the collection of the money which was loaned. What is the percentage of loss?

Mr. KEPPEL. I think we could give you a percent, sir, but I am not sure that it would be a fair figure now because we are just getting to the point of substantial—

Mr. KELLY. I do not think we have adequate experience to make any estimate.

Mr. DENTON. Of course, you do lose interest while students are in school and 1½ years after, and then those who go into education for 5 years—

Mr. KEPPEL. Five.

Mr. DENTON. You lose half of it on that?

Mr. KEPPEL. This is right, 10 percent a year for 5 years so it would be—

Mr. DENTON. You take that loss anyway.

Now could you put in some figure showing how much we are losing on that phase of it and how much we are losing on failure to collect?

Mr. KELLY. Yes.

(The information follows:)

NATIONAL DEFENSE STUDENT LOAN PROGRAM

Data on loans, cancellations, and repayments

Fiscal year	Loans	Cancellations ¹	Losses (uncollectible loans)
1959.....	\$9,501,676	0	-----
1960.....	50,151,908	\$12,733	-----
1961.....	70,962,824	220,304	-----
1962.....	89,102,365	\$95,000	\$700
1963.....	110,000,000	3,500,000	(²)
1964.....	107,000,000	4,000,000	(²)

¹ Teacher cancellation of principal.

² See narrative below.

REPAYMENT OF STUDENT LOANS

The following information on student loan repayments is based upon a cumulative report of this program, from 1950 to June 30, 1962:

As of June 30, 1962, 37,006 former students were repaying loans, and aggregate collections were \$5,198,125.

As of June 30, 1962, 91.6 percent of all collections due had been repaid. A total of 9,141 former students were reported late in payments due. The sum involved was \$612,925, or 8.4 percent of all repayments due and collected (\$6,652,572).

It is important to recognize that these payments were late, but not defaulted. Two considerations should be mentioned. First, June is the heart of the repayment season, since under the law the first repayment is not technically due until the end of the second year after leaving college, and subsequent annual payments also fall due in June. It seems safe to assume that some portion of the apparent lateness stems from the high level of repayment activity with resultant unrecorded receipts as well as slightly tardy receipts.

Second, the experience of older institutional student loan programs demonstrates that patience and persistence in followup collection procedures can reduce default in repayments to a minimum. A representative of the University of Illinois has reported that only one-seventh of 1 percent of the more than \$5.5 million repayable in student loans since 1899 had been finally determined as uncollectible. The total amount finally written off is approximately \$8,000. The University of Chicago reported that it has administered more than 100 separate loan funds during the past 60 years, with very satisfactory repayment results. A study of the collections for one typical fund established in 1914 indicated that approximately eight-tenths of 1 percent due over a recent 15-year period had been found to be uncollectible. Neither of these institutions has been obliged to resort to any considerable legal procedure.

The instances cited above are exemplary. In an enterprise involving the substantial funds of the national defense student loan program and the large number of institutions, many of them without prior loan collection experience, it is to be expected that greater difficulty will be encountered.

The Office of Education engages in a variety of measures to assist institutions in management of the student loan program. An independent audit of the loan funds is conducted by staff members of the Fiscal Advisory and Audit Section. These audits are reviewed and discussed by staff members and the institution concerned, so that immediate or anticipated problems in management of the funds are identified and resolved.

Regional representatives of the Division of College and University Assistance are in touch with and available upon call to participating institutions throughout the Nation. While these 9 men cannot visit every college annually, virtually all of the approximately 1,500 participating institutions have been visited at least once by representatives of the Office. During the past year these field representatives have given special counseling to institutions where the rate of late repayments is excessive.

In addition, the Office staff is conducting a series of regional conferences devoted exclusively to problems of loan collection. Out of these conferences a number of policy guides are being developed for circulation among participating institutions. Finally, a comprehensive depth study concerning loan repayments is being prepared.

INTEREST RATES UNDER NATIONAL DEFENSE EDUCATION ACT PROGRAMS

Mr. DENTON. Your interest is 3 percent. We figure 2.78.

What interest rate is the Government paying?

Mr. HUGHES. Do you mean the going rate on Government obligations?

Mr. DENTON. Yes. What is that figure they use—2.7?

Mr. PATEROS. They use various rates depending upon whether they use average of long-term Government bonds or short-term depending upon the nature of the program.

As I recall in the title III program, on the basis of the security identified to be used in the computation of the interest rate, the average Government rate is $3\frac{1}{4}$ percent and we charge an additional one-fourth of 1 percent. That is under title III.

Mr. DENTON. That is loans to students.

Mr. PATEROS. That is loans to nonprofit, private schools, for acquisition of certain equipment. Foreign languages, science and so forth. Student loans are fixed by the statute at 3 percent, under title II.

STATISTICS PROGRAM

Mr. DENTON. Now, under this Defense Education Act, you increased that, \$200,000 I believe. Is that \$200,000 or—

Mr. PATEROS. The total of the National Defense Education Act has increased \$170,000.

Mr. DENTON. You increased it \$220,000 in order that five States may take advantage of the statistical provisions of the title X; is that right?

Mr. PATEROS. That is right.

STUDENT LOAN PROGRAM

Mr. DENTON. And there is a decrease of \$50,000 in student loans?

Mr. KEPPEL. This is a special aspect of the act in which the Government aids the institution in becoming eligible.

Would you explain that in detail, Mr. Hughes?

Mr. HUGHES. Yes, sir.

The Government does make provision for loans to the institutions for the so-called non-Federal share of the student loan funds in the event the institution does not have its 10 percent.

The Government also, of course, guarantees and makes good on the cancellations that result from the teacher forgiveness clause.

The offsetting result of these two items, both of which the Federal Government appropriates, is a decrease—a net decrease in the appropriation estimate as such of \$50,000.

SALARIES AND EXPENSES

Mr. DENTON. Does the budget for salaries expenses include your pay increase?

Mr. PATEROS. Yes, sir.

INCREASED POSITIONS

Mr. DENTON. How many new positions?

Mr. KEPPEL. 138 new positions.

Mr. HUGHES. 138 positions for which we are asking salaries and related cost of about \$1,280,000.

Mr. DENTON. Why do you need 138 new positions?

Mr. KEPPEL. It goes—it breaks down, sir. The largest single category in a specialized area would be the improvement of the statistics, accuracy, and speed.

I think the second largest category would be to handle the increased amount of research funds if approved by the committee.

The third largest would be an increased staff to handle a program under the Fulbright-Hays Act for international education.

The remaining numbers are in smaller categories. Those are the big ones.

Mr. DENTON. That is all.

Mr. FOGARTY. Mr. Lesinski?

Mr. LESINSKI. I will be brief, Mr. Chairman.

Mr. FOGARTY. Go ahead; take your time.

QUALIFICATIONS OF STUDENT LOAN RECIPIENTS

Mr. LESINSKI. Dr. Keppel, regarding the student loan program, what criteria if any do you use for those who borrow funds to become teachers—what criteria do you use to qualify them?

Mr. KEPPEL. Criteria which are selected for getting the loans?

Mr. LESINSKI. Yes.

Mr. KEPPEL. I think the first point is, Mr. Lesinski, the whole program here is to have this handled by the institutions. It is a part of the overall student program in my own institution. We had one fellow handling this who handled not only loans under National Defense Education Act but other sources in order to meet the fellow's entire needs while he was in the institution under the National Defense Education Act loan program. The emphasis is to be by law on those who can demonstrate need, financial need. That is one criteria. And in point of fact, a very high proportion or 75 percent of those that obtain the loans are from families whose family incomes are \$6,000 or less. Therefore that is one criteria. The second criterion is that emphasis shall be put on those areas which have special concern for mathematics, science, and so forth.

Mr. LESINSKI. What I am driving at, as you so well know, the people of tomorrow will advance as they are developed in their youth in the school and if students just simply take this, so that they may pay back the money to the Federal Government by teaching 5 years—suppose they are not qualified to be teachers—that is what I am concerned about.

Mr. KEPPEL. Oh, I missed the point of your question, sir.

The question is whether this help is, in recruiting the kind of person that would be a good teacher?

Mr. LESINSKI. Right.

Mr. KEPPEL. I think I would have to say, with the request of Mr. Mildenberger to go into greater detail, that the institutions are probably the best qualified to estimate this—recognizing that all sorts of errors may be made, but those institutions through their financial officers are the ones most likely to know the individual and to make the most sophisticated and best guess on his potential.

Would you want to add to that, Mr. Mildenberger?

Mr. MILDENBERGER. Yes. The institution decides upon the loan on the basis of academic ability and need, and in most cases good citizenship also is part of the deciding factor, plus the available funds.

Consequently, in the case of—well, almost all of the borrowers—there is a rather significant academic ability.

Certainly the institutions of higher education, insofar as turning out teachers is concerned, have the responsibility, and of course the public schools, the officials and the State departments of education, certify qualification. Certain educational requirements come into the picture to insure teacher qualification.

And these are all under the present provisions of the law; these are all public school teachers subject to all the public school certification provisions.

Mr. KELLY. I might add to that they don't get this forgiveness unless they actually get a job and teach. They have to procure a job as a teacher and work at it for a year in order to get 10 percent deduction. In other words to get the whole deduction they have to hold the job for 5 years.

And that loan is not what qualifies them to be the teacher. They have to bring their credentials to the employer in order to get the job.

Mr. PATEROS. I might add each student who goes into teaching and wishes this cancellation privilege must have a document signed by the principal and/or superintendent of schools in which he taught, which evidenced that he taught for a complete academic year and met the requirements for a teacher there. And this has to be filed with the institution before the institution records a cancellation for that particular individual.

DISCRIMINATION AGAINST TEACHERS AT PRIVATE SCHOOLS

Mr. LESINSKI. One further question, and I do not know if you can supply the answer—I hope you can.

Why do you allow a discount—as I use the word—to a student going into the teaching profession to a public school, but if he goes to a private school he is not allowed the same consideration.

Mr. KEPPEL. I can answer in this sense: The provisions in H.R. 3000, before the Congress, extend the provision of forgiveness, if I may use that word, the 10 percent per annum for 5 years, to both public and private school teachers. It is now before the Congress to extend the cancellation.

Mr. LESINSKI. Existing legislation restricts it to the public schools?

Mr. KEPPEL. Yes.

The administration is recommending to the Congress that it be extended.

Mr. LESINSKI. I did not think it was quite fair the way the law——

Mr. KEPPEL. I agree, sir.

Mr. LESINSKI. I am glad to hear that.

Mr. FLYNT. May I say in the original legislation proposed by the Office of Education in 1958, we proposed that the forgiveness be extended to all teachers—public and private. Congress struck it out.

We have always advocated in the Office of Education that “forgiveness” be extended to all people.

Mr. LESINSKI. I am happy to hear that.

Thank you, Mr. Chairman.

Mr. FOGARTY. Mr. Michel.

INTERNATIONAL EDUCATION RESEARCH

Mr. MICHEL. Earlier I think there was just a little bit of discussion given to an item of some \$300,000 for launching an international education research program. But I didn't get too many particulars.

I was wondering what we really are embarking upon here.

Mr. KEPPEL. May I ask Mr. Flynt to answer?

Mr. FOGARTY. Yes.

Mr. FLYNT. We are concerned with finding out about applications of media that, both in substance and technique, have value for us, development of television particularly; to a lesser extent films and radio, throughout the world.

In some, national systems of education through television have been developed, particularly those I mentioned in Japan.

There are a multitude of areas in the Scandinavian countries and Great Britain; we are finding out whether they have anything of value we can apply to our own system.

These are among two of our numerous surveys which have developed, utilizing radio, and television media, especially in adult education and removal of illiteracy.

This law permits us to contact researchers throughout the world. We feel we would like to utilize some small sum of this to find out if they have developed anything of value to us.

Mr. MICHEL. Is this the first year you are requesting money specifically for this?

Mr. FLYNT. Well, we have mentioned it here but in the past we have had some projects already—other countries.

Mr. MICHEL. What is this \$300,000 figure likely to grow to in another 5 years?

Mr. FLYNT. I would not be prepared to say that it will grow at all, Mr. Michel. I do not know.

Mr. MICHEL. I mean would it be a one-shot proposition? Get in, take a look-see, and get out? That does not sound like a pattern?

Mr. FLYNT. I would not want to say—we might find some things worthy of following up. I would hope the committee would be generous to that view. But at least to find out what is going on now—we have indicated we would like to spend about \$300,000.

Mr. MICHEL. How many people would be involved in this particular operation?

Mr. FLYNT. Well, of course, we have asked for no increase in personnel for this purpose since we have had personnel to service the

contracts. The actual research would be carried out by others on contract with us, subject to the control of the research program.

Mr. HUGHES. This amounts to about 6 percent of the request of \$5 million.

Mr. FLYNT. We utilize staff already available.

Mr. KELLY. This \$300,000 will not be used to pay Office of Education staff, Mr. Michel. This would be for contracts. The only Office of Education staff involved at all is in the administration of the contracts, not in the research.

Mr. MICHEL. Will this include traveling around in foreign countries of a number of people?

Mr. KELLY. On behalf of the contract, whoever has the contract will employ people who will travel to foreign countries, yes. But they will not be Office of Education staff.

IMPROVING STATISTICS

Mr. MICHEL. On the matter of improving your statistics, what are we going to have these additional statisticians for? To figure out bigger and better ways of spending more money?

Mr. KEPPEL. To look at the question as I see it, the basis of the problem—and I will say again that I don't feel on top of this problem—as I see it there are broadly two aspects of the problem: improving the quality and speed of the statistics, the statistics collected by the Office of Education.

The first is that the basic figures come from the States, territories, or other areas, and part of the budget that is before us involves, you may recall, an increase in allocation to those, what I might call collection agencies as it were; and the second part of it had to do with the staff in Washington or in the Office of Education to handle the results.

Then obviously we are faced here with a very complicated matter of definition of what it means or what is meant by a particular digit. We have the problem of differentiating apples, oranges, pears, whatever else, and with more than 50 States and territories and with all of these colleges. There is a big task of achieving some kind of agreement not only between our Office and the States or institutions, but also within the Federal Government which is involved in relations with these institutions at all kinds of levels in order to get accurate reporting to the Congress. At the same time there is developing the whole scheme of recording data processing which involves a different level and type of personnel in training and experience than we have had to deal with, let's say, 5 or 10 years ago; even perhaps 2 or 3 years ago. This applies to the States as well as to the Office of Education. And there is a double process of strengthening our sources of collection and strengthening our capacity to analyze.

There is almost surely going to result from this a greater speed of reporting, if we can get the equipment and trained people on the payrolls of the States to do this.

ELECTRONIC DATA PROCESSING

I think my memory is right in saying there are now 45 of the States that are well on their way under data processing. There are five

missing from the list but we are hoping in 1964 that four will move into that situation. With luck we will get it down to two. It is clear this will speed these things up.

Mr. MICHEL. Can you supply the names of those five States?

Mr. HUGHES. Arkansas, Nevada, Louisiana, and Idaho. Wyoming is the fifth State.

Mr. KEPPEL. In my former experience, Mr. Michel, at the university, I used to complain a good deal because, every time I got any of the data processing, I never seemed to reduce the personnel involved.

Mr. MICHEL. This is what we are finding. In every one of these there is talk of saving x number of dollars, and then, when we have the data-processing machines in operation, we find we haven't cut down on the number of individuals at all.

Mr. KEPPEL. Of course, what you find is that you are getting more refined data which are subject to more sophisticated kinds of analyses. We start asking questions that we were never able to ask before, because we knew that we could not get an answer. So, as dean of the school, I protested the addition of staff handling this, and then found myself asking new questions. They came back in to say: "Wait a minute; you are asking a complicated question; we have to run the thing through four times and have a mathematical computation to get at it."

I take it this is a general phenomenon, indeed, in using these materials.

I would like to come back to the point that it is perfectly clear that the policies that this committee will be instigating in the years to come should be considered on much more up-to-date and more complete statistical data than we have been able to present to you. We do not have adequate information on a lot of subjects it seems to me that we ought to have. We don't have quality information—if I can make a distinction between sheer quantitative material and quality.

One of the ways, I believe, at getting at the qualitative without excessive expenditure, is by the sampling method. By qualitative, I mean how well a kid is doing in mathematics, history, and so forth.

In the interim period, while we are trying to develop this, I must ask the committee to be patient with us—because it does require a different kind of staffing and patience—while we work with the States to get closer to speed than we have before.

We have been able this year, for example, in one area of reporting to update statistics by 1 full year. This is at least a substantial shift. So that we had data on the fall of 1962 at the end of November, was it?

Mr. HUGHES. That is right.

Mr. KEPPEL. Before we were a full year behind. But this isn't to say that the data that was available to you was necessarily the data that was in the form most useful to you.

I am afraid that it is a long answer.

RESULTS OF STUDENT LOAN PROGRAM

Mr. MICHEL. I appreciate your enlarging upon it. I notice, in the \$90 million requested again for student loans under title 2, that about half of the student borrowers who graduate enter public school teaching.

It appears that the provision for foregoing the payment of the loan is channeling people into the teaching profession in surprising numbers.

If this act should be extended a number of years, would you anticipate that that 50-percent figure would hold?

Mr. KEPPEL. I would guess if the act were renewed, including the extension of the forgiveness feature to the private institutions and to college teachers—both of which are proposed in H.R. 3000—the percentage would increase, simply because you would open it up to private school teachers and college teachers.

However, the 50 percent that are predicted to enter teaching for at least 1 year is the first figure. We go back in our thinking to 1958, and see where we are just beginning to get data.

I, myself, would doubt whether the 50-percent figure is a basic figure on which to operate in this. I personally would be prepared to guess we will come back in a couple of years with something closer to 30 or 35 percent.

I think we have a special situation in, maybe, that first year; but we don't have the data, really, to say this.

Mr. KELLY. I think you could also speculate that, the smaller the sum of money available for loans in relationship to the total number of requests, the higher percentage of it is going to go to teachers.

But, if you increase substantially the \$90 million so that the amount of money available is much larger in relationship to the number of people applying and getting loans, then I would think that more of your total enrollment would be satisfied, and a smaller percentage of it would be teachers.

Mr. KEPPEL. May I give a particular example to Mr. Kelly's points? At Harvard, when this point came up, as dean of the school that was particularly concerned with preparing teachers, I went in and won every penny of it the first year.

In due course the proportion available to the school of education came down.

I think a good many deans in my position did the same thing.

When the NDEA got started, and as the amounts increased, the situation began to balance out.

I can give you illustrations in precise dollar signs to Mr. Kelly's point in one institution, at the start.

FUTURE OF STUDENT LOAN PROGRAM

Mr. MICHEL. Can you see this kind of program going on indefinitely?

Mr. KEPPEL. Let's look at it this way: You have that aspect of the loan not forgiven. There will be a buildup in institutions' funds. And, if it is the will of the Congress to have the institutions continue to use those funds, put them out and come back in again, we are obviously going to come to the point sometime—I am not confident to declare when—when the institutions will have sums available for this purpose adequate to meet their student needs.

If, on the other hand, as is likely—because I hope we will have it—you will have the forgiveness feature, for school and college teachers,

both public and private, then you will have a continuing problem, a continuing appropriation.

Mr. KELLY. It should reach a point where what you are appropriating, assuming the enrollments level off, would be the amount of the forgiveness and collection loss, and thus keeping the loan fund at an amount sufficient to continue to make loans.

Mr. MICHEL. If I might make one observation, one of the things that disturbs me not a little bit is this. Is this the only way we are going to get a sufficient number of people into the teaching profession? Will we ever get back to the situation which existed before enactment of the law, when there were a certain number of people attracted to teaching because they simply wanted to teach? Granted the number was deficient, throughout the country, and something had to be done to stimulate entry into the teaching field.

I am just wondering whether, once we have stimulated it, and having given it a shot in the arm, if it must be continued indefinitely?

Mr. KEPPEL. It seems to me a fair question, Mr. Michel.

We had a shortage of teachers, that is certainly the case. A basic issue is whether the salaries for teachers, particularly those who make a career out of it, achieve a level in the economy of the future in which it is practicable for them to repay these loans, just as we might ask today a future engineer or future lawyer to repay the loan.

Other legislation that is being proposed to Congress might lead to the effect of getting the salaries paid by local and State authorities up to the point where it would be a fair thing to say, "You people in teaching are in the same situation as other walks of life."

I would have to say, at the moment, as you compare the salary structure, they are not. This is just a statement of fact.

When one thinks of this total loan enterprise for teachers, one is forced, I think, to think about other areas of shortage in the United States. A case could be made, perhaps, for scientists or other fields.

I would just take a somewhat narrow—perhaps selfish—position that, given the economic realities of teaching and given the need for numbers, this program is justifiable.

Mr. PATEROS. I think an important factor is: In the fall of 1962 in the United States, we had almost 83,000 people in classrooms, in the public elementary and secondary schools, which the States reported had qualifications less than the standards the State required for certification of the teacher. In Michigan, for example, the number was about 5,800.

This just meant the schools were unable to recruit fully qualified teachers under the certification standards of the particular States, but had to have someone in the classroom to conduct the classes.

On top of that, the States reported some 1.6 million pupils in excess of normal capacity. That would obviously create a need for additional teachers because, if you cut down the excess there and reduce the number of students in the classroom, you would create more classes.

So, there is a definite problem in terms of local school districts being able to staff up completely with teachers who are fully qualified with the standards that that individual State has set.

So, we have a long way to go yet, and H.R. 3000 has some other features which, coupled with this, should help to stimulate more people going into teaching.

A real problem exists in the first 5 years, and experience statistics have shown that, if you can hold qualified teachers for 5 full years, the chances are good they make a career out of teaching.

It is within that first 5-year period that you have to make everything attractive to the individual, and this 10-percent-forgiveness feature for 5 years of teaching helps to stimulate that, too.

Mr. KEPPEL. One additional point, Mr. Chairman, might be of interest.

I think the NDEA loan program was probably the major stimulating force that made a fundamental change in the attitude of students and their parents in the United States about how to finance college education. I lived through this.

It was the deuce of a job 10 years ago to get a student to invest in himself. You just had an awful lot of trouble to persuade him to do it.

I must say this program—I wouldn't say it was necessarily cause and effect, but I would say it was close to it; I mean effect in changing attitudes, the amount of self-development by loans, not only through this program but State and private programs—has gone up staggeringly in 5 years. I think this is a good thing; the kind of self-investment that goes along with it appeals to me.

Mr. FLYNT. May I comment?

We can name one institution that had \$900,000 for loans, but the terms and conditions required were such that they couldn't make any loans. When they adopted Federal standards they began to utilize this fund. These standards have generally become the norm for establishment of private and public loan funds.

This has probably freed as much money as the Federal Government has appropriated, I would guess.

AID TO VIRGINIA AND MARYLAND UNDER PUBLIC LAW 874

Mr. MICHEL. I would like to turn to Public Law 874, and I note, in the tables on page 50 of the justifications, Maryland ranks fourth with \$10,831,000.

Nearby Virginia, over \$19 million, ranking second in the Nation.

I, too, get just a little bit irked about considering Federal employees regardless of where they may be working down here, as being kind of unique in character, and having to have their taxes subsidized through this mechanism.

I noticed in a little "poop sheet" prepared by the County of Fairfax, Va., which has not been mentioned, that revenues in 1962 totaled \$38 million plus. And of the total revenues collected by Fairfax County, 11½ percent come from Federal grants for school operation.

Aside from construction, that is. It is really a sizable amount to say the least.

Mr. KELLY. I would like to say during the last 10 years I have seen a great many different kinds of presentations made by different administrations to the Congress to modify this law and watched the law time after time modified on the more liberal side on the Consent Calendar.

I think you are not pressed to push the witnesses on this point

Mr. MICHEL. Well, I do not happen to live in Virginia or Maryland, either one, but I just can't see the justification for it at all in that amount.

Mr. HUGHES. It probably wouldn't surprise you, sir, but the number of children in Fairfax County whose parents establish this Federal connection represent 50 percent of the public school enrollment. Obviously this is a very high percentage of children in relation to the 11 percent contribution.

Mr. LILLYWHITE. Specific figures are 30,106 children with the so-called Federal connection last year in Fairfax County schools. There were 28,864 other children for a total of 58,970.

In other words, 51 percent of the children in Fairfax County were so-called federally connected. The amount they got for them from the Federal Government was 17.5 percent of the budget. Fifty-one percent were federally connected.

Mr. PATEROS. I think a factor we have to consider in the case of Public Laws 874 and 815, both in Maryland and Virginia, all entitlements shown for those States and say, Montgomery County, Arlington and Fairfax Counties, do not represent payments for children of parents who live in those jurisdictions and work in the District of Columbia.

There are large Federal installations in each one of these States which also contribute and I don't know that it would be possible to work that out as to just which is the greater proportion of impact, whether it is the installations within the school district itself, or the District of Columbia employment.

But there are major installations in each one of those counties which contribute significantly to the Federal impact as far as the schools are concerned.

So they would be entitled to fairly sizable funds.

Mr. MICHEL. I think most of these people are pretty permanent employees, it is not like a military base.

I don't think the two situations are similar at all.

Mr. PATEROS. Northern Virginia, for example, has predominantly military situations.

Their impact comes from the military installations, Mr. Michel.

Mr. LILLYWHITE. Pentagon, Fort Belvoir, Fort Myer, all in Fairfax and Arlington Counties, are military.

Mr. HUGHES. Also, Mr. Michel, you are aware, I am sure, that paying for children in one State where parents are working in another, is not unique to the D.C. area. There are about 50 such situations throughout the country.

The District of Columbia is unique in that there is, one, a terrific concentration, and the District is not eligible, whereas the surrounding counties are.

Mr. FOGARTY. This started with the so-called Bridges amendment, because of the Naval District right on the border of New Hampshire and Maine.

Mr. HUGHES. Right, sir.

Mr. FOGARTY. I remember he offered the amendment to take care of that particular situation.

LOCATION OF ELIGIBLE SCHOOL DISTRICTS UNDER PERMANENT PROVISIONS
OF PUBLIC LAW 874

Mr. MICHEL. On page 2 of this summary of the request on Public Law 874, where would these 1,100 local school districts be? Could we have those broken down by States?

Mr. HUGHES. The numbers of schools by States?

Mr. MICHEL. Yes.

Mr. HUGHES. We can supply that for the record.

(The list follows:)

Estimated number of eligible school districts, by State, fiscal year 1964, under existing legislation, Public Law 874, as amended; estimated as of Feb. 27, 1963

Total-----	1,100	Montana-----	50
Military bases-----	56	Nebraska-----	10
Alabama-----	12	Nevada-----	11
Alaska-----	16	New Hampshire-----	2
Arizona-----	63	New Jersey-----	22
Arkansas-----	7	New Mexico-----	26
California-----	96	New York-----	24
Colorado-----	19	North Carolina-----	9
Connecticut-----	5	North Dakota-----	14
Delaware-----	1	Ohio-----	8
Florida-----	12	Oklahoma-----	176
Georgia-----	14	Oregon-----	18
Hawaii-----	1	Pennsylvania-----	10
Idaho-----	22	Rhode Island-----	5
Illinois-----	20	South Carolina-----	10
Indiana-----	8	South Dakota-----	27
Iowa-----	3	Tennessee-----	8
Kansas-----	13	Texas-----	55
Kentucky-----	7	Utah-----	8
Louisiana-----	5	Vermont-----	2
Maine-----	14	Virginia-----	18
Maryland-----	12	Washington-----	78
Massachusetts-----	23	West Virginia-----	1
Michigan-----	16	Wisconsin-----	16
Minnesota-----	20	Wyoming-----	14
Mississippi-----	7	Guam-----	1
Missouri-----	4	Virgin Islands-----	1

DISTRICTS ELIGIBLE UNDER PROPOSED LEGISLATION

Mr. MICHEL. And would you also do the same for those under "Recommended legislation," 4,300 districts?

Mr. HUGHES. Yes, sir.

Mr. MICHEL. Break that down by States.

Mr. HUGHES. Yes.

Mr. KEPPEL. Yes.

(The list follows:)

Estimated number of eligible school districts, by State, fiscal year 1964, under proposed legislation, Public Law 874, as amended; estimated as of Feb. 27, 1963

Total.....	4,300	Montana.....	90
Military bases.....	56	Nebraska.....	52
Alabama.....	53	Nevada.....	12
Alaska.....	25	New Hampshire.....	41
Arizona.....	111	New Jersey.....	157
Arkansas.....	69	New Mexico.....	42
California.....	560	New York.....	186
Colorado.....	66	North Carolina.....	27
Connecticut.....	52	North Dakota.....	41
Delaware.....	9	Ohio.....	132
Florida.....	18	Oklahoma.....	364
Georgia.....	77	Oregon.....	76
Hawaii.....	1	Pennsylvania.....	145
Idaho.....	50	Rhode Island.....	22
Illinois.....	107	South Carolina.....	35
Indiana.....	111	South Dakota.....	74
Iowa.....	27	Tennessee.....	47
Kansas.....	204	Texas.....	252
Kentucky.....	54	Utah.....	12
Louisiana.....	9	Vermont.....	10
Maine.....	83	Virginia.....	47
Maryland.....	14	Washington.....	210
Massachusetts.....	177	West Virginia.....	6
Michigan.....	64	Wisconsin.....	36
Minnesota.....	26	Wyoming.....	17
Mississippi.....	28	Guam.....	1
Missouri.....	114	Virgin Islands.....	1

ASSISTANCE FOR SCHOOL CONSTRUCTION

Mr. MICHEL. Then, under Public Law 815—to press the case a little further—I see, again, Virginia second in the Nation with \$5 million—\$5,284,600—and Maryland third, with over \$4 million.

Now, on page 2 of that summary, on Public Law 815, those 150 eligible school construction applications would come from where? Do we have—

Mr. LILLYWHITE. I think it would be extremely difficult to give a breakdown by States of the districts that would be eligible for Public Law 815.

In Public Law 874 it is pretty much a repetition, year after year, of the same districts, but the Public Law 815 construction comes, by and large, from places where new installations, new domestic projects, new military housing, and then some other areas like Montgomery and Fairfax, each year for the past 3 or 4 years, have had the 5-percent increase necessary to be eligible.

We estimate the amount of money, by State, for both the \$37 million and the \$23 million, which we have done; but to specify the district by State from which they would come I think would be quite difficult.

Mr. HUGHES. I think, as a matter of fact, our projection estimate by States is simply an experience factor. We don't know where it will hit State by State. This is a conjecture as to how many projects will occur, and the amount of money by States.

Mr. MICHEL. That's all. Thank you.

Mr. FOGARTY. We will recess until 10 a.m. in the morning.

WEDNESDAY, FEBRUARY 27, 1963.

EXPANSION OF TEACHING IN EDUCATION OF THE MENTALLY RETARDED

Program and financing

[[In thousands of dollars]]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Grants to institutions of higher education	436	430	430
2. Grants to States	561	570	570
Total program costs, funded—obligations (object class 41)	997	1,000	1,000
Financing: Unobligated balance lapsing	3		
New obligational authority (appropriation)	1,000	1,000	1,000

Mr. FOGARTY. The committee will come to order. We will continue with Dr. Keppel.

When we left off yesterday we were going to start today with the teaching program for the mentally retarded.

Dr. KEPPEL. All right, sir.

Mr. FOGARTY. Is there anything new or is it just the same program?

Dr. KEPPEL. Just the same program.

PREPARED STATEMENT

Mr. FOGARTY. We will put the statement in the record.
(The statement follows:)

EXPANSION OF TEACHING IN EDUCATION OF THE MENTALLY RETARDED

The problem of providing educational opportunity to mentally retarded children is one that this committee has already recognized and is an area in which the leadership of the committee and its chairman is well established. The critical problem of mental retardation in our society has been given new attention through the recent report of the President's Panel on Mental Retardation. While it is desirable to do all possible to prevent the condition of mental retardation, it is equally important to provide every possible educational opportunity to those individuals who are mentally retarded. An adequate program for this group must include suitable educational opportunity. Without this there will be little possibility that the mentally retarded individual can be a participating member of his community or enter into employment.

It is estimated that there are 1¼ million school-age children in this country who are mentally retarded. Of this number only about one-fourth have access to an educational program adjusted to their needs. One of the most serious obstacles to the development of suitable programs is the lack of qualified special educators, professionally prepared to work with the mentally retarded.

INCREASED LEADERSHIP PERSONNEL

The Congress recognized this problem several years ago when it authorized a program to expand teaching in the education of the mentally retarded through the enactment of Public Law 85-926. Thus far the program developed under this law has been used for the preparation of leadership personnel to conduct programs of teacher education in colleges and universities and to supervise in State and local schools.

During the first 3 years of the program 501 fellowships have been awarded to about 360 persons representing all but one State. Under section 1 of the law, fellowships have been allocated to 21 colleges and universities throughout the Nation. In addition, stimulation grants for the improvement of graduate programs in the education of the mentally retarded have been awarded to institutions of higher learning in geographic regions of the Nation where opportunities for

advanced professional preparation do not exist. Four stimulation grants were awarded for use during academic year 1961-62, and six stimulation grants, four of which were granted for a second year, were awarded for use during academic year 1962-63. Under section 2 of Public Law 85-926 each of the 50 States has been allocated two fellowships a year. Thus far, all but one have used at least one fellowship.

SUMMARY

The program authorized by Public Law 85-926 has been well received throughout the Nation and has made a contribution to alleviating the shortage of leadership personnel in this area. Equally important, it has contributed to the improvement of curriculum in colleges and universities for the professional preparation of special educators to work with the mentally retarded. An amount of \$1 million, the maximum amount authorized by law is requested for 1964 to continue the program.

Mr. FOGARTY. This program is a little different than the program for the deaf. This legislation is to train teachers to teach teachers. And the deaf program is to train teachers. So there is quite a difference between the two programs.

When does this authorization run out?

Mr. HUGHES. This was enacted for 10 years. It goes through 1969.

Mr. FOGARTY. The other one was two or three?

Dr. KEPPEL. Two years, sir.

Mr. FOGARTY. All right. What is the next item?

EXPANSION OF TEACHING IN EDUCATION OF THE DEAF

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Grants to institutions of higher learning (costs—obligations) (object class 41).....	1,495	1,500	-----
Financing:			
Comparative transfer to other accounts.....	39	-----	-----
Unobligated balance lapsing.....	41	-----	-----
New obligational authority (appropriation).....	1,575	1,500	-----

Dr. KEPPEL. In my order, sir, it would be the education of the deaf, the one to which you referred.

Mr. FOGARTY. We will put this statement in the record, too.

(The statement follows:)

EXPANSION OF TEACHING IN EDUCATION OF THE DEAF

The Congress authorized a 2-year program of grants-in-aid to accredited public and nonprofit institutions of higher education for the purpose of encouraging and facilitating the training of teachers of the deaf. In fiscal year 1962 a total of 446 scholarships was awarded for use to qualified institutions. In addition, 38 of the 43 participating institutions were awarded grants to improve and strengthen their programs. In fiscal year 1963 approximately 450 scholarships will be awarded and approximately 35 institutions will receive grants to improve their courses of training. A total of 896 teachers will receive specialized training to qualify them as teachers of the deaf.

The accomplishments of the program have been encouraging. The teacher shortage for the deaf, however, still exists. New legislation included in the President's education recommendations, would extend the program for an additional 3 years; would continue in 1964 the \$1,500,000 level of support currently authorized; and would provide for research and demonstration projects.

OMNIBUS LEGISLATIVE APPROACH

Mr. KELLY. There is no authorization in 1964 so this has to be a part of the legislative program because the authority for appropriation expires on June 30, 1963. The request that is before the Congress in legislation is to continue it for 1 year in its present form and then, beginning in the fiscal year 1965, to incorporate it as a part of a larger program dealing with the problems of handicapped children.

Mr. FOGARTY. That is what bothers me with this omnibus approach in aid to education, Doctor. It seems to me that this was an area that had not been given much consideration. These were really the forgotten children, the deaf. Mentally retarded were until 7 or 8 years ago, but until a couple of years ago almost nothing was being done in the field of the deaf. It has been brought to my attention that Helen Keller has made the statement, "It is worse to be deaf than blind," which I never realized before.

Now, this may get lost in this omnibus approach, but continuation of this program, which I understand has been a very successful one, is very important and there is still a great need for teachers of the deaf.

I think the deaf program certainly should go on and we could probably get that through by almost unanimous consent because, as far as I know, there is no controversy in this kind of legislation. And if we had a separate bill to expand the teaching program for the mentally retarded I think that could go through Congress almost unanimously.

I think that the library services program, which is a very popular one, could get through without much trouble. But when all of these things are thrown into one package and you have to consider the package as a whole, I think some of these programs may be hurt.

That is my feeling, knowing how Congress has acted on some of this legislation in the past. I am talking about uncontroversial parts of it now, training teachers of the deaf and mentally retarded and the library program. I think those things could get through without any trouble if they were divorced from the omnibus approach.

Do you want to say anything on that? You expressed your thoughts yesterday on the omnibus approach, but these are some additional arguments against it, I think.

Mr. KELLY. If we ran into troubles on the omnibus approach, Mr. Chairman, it seems to me—

Mr. LAIRD. You mean you haven't yet?

Mr. KELLY. It seems to me highly unlikely that the expiring legislation, concerning the children eligible under Public Laws 815 and 874 and the teachers of the deaf, will get lost because of the omnibus approach. Public Laws 815 and 874 are unlikely to get lost just because they are tied up in the omnibus bill.

If we get down to the deadline and it appears that the legislation is not likely to be enacted I think these parts of it would be pulled out. As long as you are here, Mr. Chairman, I think they will get the deaf along with Public Laws 815 and 874.

You recall last year the Education and Labor Committee held hearings on this whole problem of the handicapped children and they developed a good record on it. I think they would be prepared to move more rapidly in that area if it were identified. If it was neces-

sary to pull out legislation now, I think they would be prepared to move it.

Mr. FOGARTY. What happened? I remember the hearings, but what happened to the proposed legislation? This was for all handicapped children?

Mr. KELLY. Yes, it was.

Dr. KEPPEL. Yes.

Mr. HUGHES. The House Education Committee did report out a bill, sir. It got to the Rules Committee but it did not get out of the Rules Committee.

Mr. FOGARTY. It was near the end of the session?

Mr. HUGHES. That is correct.

Mr. FLYNT. We favored an omnibus bill, H.R. 7175, to aid all the handicapped.

COOPERATIVE RESEARCH

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Cooperative research (program costs, funded).....	3,697	5,740	11,670
Change in selected resources ¹	947	1,245	5,330
Total obligations (object class 25).....	4,644	6,985	17,000
Financing:			
Unobligated balance lapsing.....	356	-----	-----
New obligational authority (appropriation).....	5,000	6,985	17,000

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961; \$1,881 thousand (1962 adjustments, —\$32 thousand); 1962, \$2,796 thousand; 1963, \$4,041 thousand; 1964, \$9,371 thousand.

Mr. FOGARTY. The next one is cooperative research. Perhaps you had better read your statement.

GENERAL STATEMENT

Dr. KEPPEL. Right, sir.

A primary goal of the President's educational program is the attainment of excellence through increased research and development. In this context, excellence demands not only an educational system which will provide the opportunity for each individual to achieve his full potential, but one which will promote the social, economic, and cultural development of a free society. In education, no less than in medicine, industry, and agriculture, only as we know more about the learning process and improve curriculum materials and teaching techniques can substantial progress be made.

In his budget message the President stated—

Our children are being taught poorly developed and uninteresting information at a time when the knowledge to be acquired and the challenges in its future application are greater than ever before. Yet our entire country devotes fewer resources to research in education than some individual business firms spend for research in product development.

Only an imaginative program of educational research and development can provide the vision and new steps necessary for the attainment of educational excellence.

In its 7-year history, the cooperative research program, Public Law 531, 83d Congress, has become the Nation's foremost program for educational research and experimentation. Significant results of the research, curriculum development, and demonstration projects supported by the program are now coming to fruition.

RESEARCH RESULTS

In the important area of the learning disorders, cooperative research projects have taught the blind to "read" at four times the rate possible with braille, established the value of special classes and enriched curriculum for retarded youngsters, and clearly demonstrated that significant numbers of the children traditionally labeled as "mentally retarded" are in reality merely the products of "retarded homes."

In the language arts, one cooperative research project has shown conclusively the relative complexity of sentences spoken by very young children and indicated that their vocabularies are far more extensive than previously believed; as a result, reading specialists and commercial publishers are reexamining the oversimplified language of their reading textbooks.

As the result of another study, several hundred school systems throughout the Nation are using a lay reader program developed under a cooperative research project. In this program, housewives with special training in English work as assistants to English teachers, helping in the grading of themes and compositions. In vocational education, cooperative research has launched a demonstration program of retraining workers displaced by automation, providing a means of salvaging the skills of workers otherwise lost to the economy.

Results of equal significance are constantly emerging from the over 500 studies in such areas as the identification and development of gifted students, language achievements of the mentally retarded, teaching spatial concepts to blind children, motivations of youth for leaving school, relationship of school experiences to juvenile delinquency, effects of various teaching methods on the achievement of elementary school children, cross-cultural studies of education, development of language and of reading skills in young children, economics of higher education, social climates in the schools, financing of education in urban areas, how children form social circles, and improving the effectiveness of college teaching. In each case, a research project at a college, university, or State education agency has provided these important findings.

A nationwide inventory of over 440,000 American youngsters has revealed many important facts about our pupils, their academic achievements and their community surroundings. One of the most interesting findings thus far is the evidence that the same achievement tests given to 9th- and 12th-grade pupils show that the upper 25 percent of the 9th grade students scored higher than the average 12th grader. This has an obvious implication for the introduction of new curriculum materials for able students, which is a specific aim of the cooperative research program.

Another recent result indicates that educational achievements associated with the school are much more related to the quality and type of students and teachers than to the size of school or its location in urban

areas. There are good suburban schools and there are equally good urban schools, and the difference appears to be the standard of excellence which is set by the school.

A definite conclusion is that certain factors associated with successful outcomes are teachers' salaries, teacher experience, size of school library, and expenditures per pupil. Of lesser importance are school size, size of classes, age of buildings, and suburban-urban location.

TRANSLATING RESEARCH INTO PRACTICE

But despite the obvious promise of these important findings, much remains to be done in the critical area of introducing the results of this research into the schools. The time is now at hand to provide the means for developing an educational program for excellence based upon proven results of research. If research is to serve education, the means must be provided for getting results into the schools.

The 1964 budget request for the cooperative research program reflects this need for an expansion of the program's activities in translating research into practice. In the area of curriculum development, where new materials for use in the schools are being developed, our experiences in projects English and social studies indicated that the schools are in desperate need of these materials. In English, so many schools have submitted applications in the curriculum development program that many have had to be turned away.

Last fall, the Office of Education announced that cooperative research funds were available for the development of improved curriculums in the social studies. Within 3 months, more than 700 requests for information were received from scholars in history, economics, political science, sociology, anthropology, and geography, as well as from public school teachers and administrators at all levels. In the social studies we are now receiving 10 applications for every project we have funds to support.

A new element in the program for 1964 is the initiation of five research and development centers which will focus on a wide band of research activities in crucial problem areas of education. The research and development centers represent a new facet to apply the results of research to the Nation's classrooms. As envisioned, these centers would use a number of personnel from a variety of disciplines not only to conduct research on some of education's key problems, but also to translate the results into new materials and methods that can be evaluated in school settings. The active involvement of behavioral and social scientists, subject matter scholars, educational specialists, administrators, and teachers will insure a scholarly, well-designed product. Areas in which centers are anticipated include school drop-outs, disadvantaged children, talent development, and arts and humanities.

The total estimate of \$17 million provides a balanced distribution of funds between projects in selected areas of education and funds which will be assigned to high priority projects in nonspecified areas. Thus, about \$9,400,000 is included for specific areas including significant sums for English, talent development, social studies, and new

project funds for the arts, teacher education, and learning disorders. A sum of \$7,600,000 is included for the "nonprogram" areas which will permit the Office to fund those high-quality projects submitted by agencies in general areas of education including sums for special curriculum projects in various areas of education, for example, vocational education, physical and health education, and others.

Thank you, Mr. Chairman.

ESTABLISHED RESEARCH PROJECTS

Mr. FOGARTY. I remember when Dr. Dethrick was in your position, he put a great deal of emphasis on these two projects that you just mentioned, Project English, and, he called it at that time, Project Talent. Then that title was changed from "Talent" to "Able."

At the time, that was a little controversial. I do not know why. He was convincing, as far as I was concerned. I thought he did a very good job in testifying before the committee on the need for these two new developments, or putting emphasis on these two projects.

Will you tell us in your own words now—you did mention it in your prepared remarks—how these two projects have been working and what have been some of the beneficial results in these two areas.

PROJECT ENGLISH

Take Project English first.

Mr. KEPPEL. Thank you, Mr. Chairman. I think it is perhaps logical to start with Project English because of the importance of the use of the English language in almost every aspect of education, in the elementary, secondary schools, colleges, and everywhere else. This involves both problems of reading and writing, expression, and all the other aspects of the use of language.

What has happened has been, at least to me, very heartening. I have watched it from outside the Government for the last couple of years, as well as inside recently.

As you know Mr. Chairman, there has been a kind of division in the academic world between the scholars in the university on the one hand and the teachers of the schools on the other. There has not been a happy record of collaboration and cooperation on actual projects in the past, let us say 25 or 50 years.

The Project English has, in the last year or so demonstrated that this is no longer the case in that field. That is, that we now have centers—I happen to think of the one at Carnegie Institute of Technology because that is the one I happen to have visited—in which you have first-class scholars in the department of English in its university working intimately with teachers in the schools.

Mr. FOGARTY. Why don't you give us a little more detail on that, how they got started at Carnegie?

APPLICANTS FOR PROJECT ENGLISH GRANTS

Mr. KEPPEL. By an application of Carnegie, as I understand it. How many applications were there? There are now six centers and—

Mr. IANNI. There are six centers. For those 6 centers there were approximately 35 applications.

Mr. FOGARTY. You put the six centers in the record. Do you have them now?

Mr. IANNI. Yes. They are in Minnesota, Pennsylvania—Pittsburgh, at Carnegie Institute of Technology—the University of Nebraska, the University of Oregon, Northwestern University, and Hunter College. Hunter College is trying something new. They are developing a special English program for culturally disadvantaged youngsters.

I had one other thing. We just approved two additional ones, one in Florida and one in Wisconsin.

Mr. FOGARTY. Doctor, why don't you tell us just how this operates at Carnegie, because that is the one you are most familiar with.

Mr. KEPPEL. That is the one I happened to have heard about.

Mr. FOGARTY. How did they get started? What do they do?

Mr. KEPPEL. I think I will do my best if you will let me turn to Mr. Ianni to straighten this out.

USE OF NEW TEACHING MATERIALS

The main point here is to look at the materials used—I think Carnegie is grades 10 through 12?

Mr. IANNI. That's right.

Mr. KEPPEL. The materials actually used in the classrooms by students of different levels of ability. It is not only the literary materials; I think in a way that is the minor part of it.

Mr. IANNI. That's right.

Mr. KEPPEL. Dr. Ianni can explain it better than I can.

Mr. IANNI. What they have done is to involve a large number of teachers in Pittsburgh's schools along with scholars of Carnegie Institute and they tried a new system where two English professors from Carnegie Institute of Technology, Professors Cottrell and Josephs, are actually teaching in the high schools for 1 year to get some idea of what the problems of high school teachers actually are.

Prior to this, most programs of curricular revision have been based upon university scholars developing materials which then have some difficulty in terms of introduction into the schools, very often because they are not teachable in terms of the general level of the students, in terms of how high school teachers normally teach and in terms of the child's comprehension.

During the first year of operation what they have done is to bring together large numbers of high school teachers with the university staff and they have developed new materials which they are now testing in the schools. As a result of this year of testing they will revise the materials and then test them again so that they are constantly revised and tested.

When they first started they had six secondary schools in the Pittsburgh area which were willing to join with them in this process. Now we have applications from 37 institutions which is far more than they can possibly work with at the present time.

Mr. FOGARTY. All right. Now what are some of the results?

Mr. IANNI. I think perhaps the two most important results Commissioner Keppel has already pointed to, are first, the University of Indiana, dealing with the study of reading of children. Prior to this the assumption was children learned to read and speak in a very simple fashion: "I see the dog; you see the dog; they see the dog."

As a result of Professor Strickland's work at Indiana it has now been firmly established children have much larger vocabularies than we assumed they did, and also they don't speak in simple sentences; they speak in relatively complex sentences.

As a result of this project, many of the commercial publishers are completely reexamining the textbooks used by children and have come up with a system. For the first 3 years, there are basal readers, after the third year the material introduced for children's reading will be materials in science, in mathematics, and in general literature.

This has spread to other areas as well. For example, in the area of mathematics we now have three projects, one of which has developed a technique for teaching college algebra to bright fourth, fifth, and sixth grade students; another which is teaching high school geometry to average fifth and sixth grade students; and one which has just been completed in California where they are teaching geometry through teaching machines to average first grade students.

Now the second study is the one which—

Mr. FOGARTY. On that first one, what about teaching foreign languages in the primary grades?

Mr. IANNI. Here again we have some research in this area. It indicates that in the primary grades children's speech patterns and children's accent patterns have not been so fully established that they have difficulty in transferring to a foreign language, so here again, I would think that there would be success in such a system.

Mr. FOGARTY. Teaching French in many of the schools as a foreign language starts in the fifth grade, doesn't it?

Mr. IANNI. Yes. We have lived in four States and my son always gets to a school as it starts French. He has had French five times now. He is a bright boy. It is not his fault.

EDUCATION OF INDIANS

Another project we have been working on is in the area of problems of culturally different groups in our society. For example, with American Indians in Alaska, the Dakotas, Colorado, Utah, Arizona, and New Mexico, we have found that one of the primary problems is that they are bicultural and bilingual. As a result of this they have to adjust not only to two different languages, but also to a different culture. In the past we have usually assumed that the difficulty they have in elementary schools and high schools results from a lack of intelligence. We now know that this isn't true.

For example, in the area of intelligence testing with Hopi Indian children, the culture pattern among the Hopi is such that they are taught from early childhood that you never compete with anybody else, that you try to be as cooperative as possible. Consequently, when they are given intelligence tests and are told that they should try hard, try to do better than someone else, this is completely alien to their cultural pattern so they do not try in this fashion.

EDUCATION OF MIGRATORY WORKERS

We have been doing some research, also, with migratory workers. There is also this assumption something is wrong with the workers. We found that one of the problems is their education is not taken care of either by the State from which they come or the State to which they go.

For example, in Wisconsin we have studies at the present time which have traced the migratory workers from Texas to Wisconsin and the assumption had always been that it was the responsibility of Wisconsin to educate these individuals. Now we find a large part of the problem is they are not properly identified in Texas. Once they are identified in Texas, prior to coming to Wisconsin, then something can be done by educating them with special techniques.

VALUE OF BASIC RESEARCH

I think there is one other thing we should say about Project English, just as a background.

If I can draw an analogy with medical research, when the Salk vaccine became successful this was a very thrilling situation but what we have to realize is there is a great deal of research that took place before; the concept of a vaccine had to be developed. During the first 6 years of the cooperative research program, we spent most of our time on such basic research.

Mr. FOGARTY. In order to get the vaccine, there had to be years and years of basic work.

Mr. IANNI. That's right, sir. That's right. And this involved not just developing vaccine but testing the vaccine in situations where it could be used, demonstrating its effectiveness. You had to isolate the virus and so on.

Now this is true in educational research, as well. During the first 6 years we have spent most of our time on basic research and it is very difficult to talk about accomplishments when you can't say we have cured polio or we have cured tuberculosis. What we have done, I think, is two things.

Mr. FOGARTY. In my opinion, I think that is the place to start.

Mr. IANNI. Yes.

Mr. FOGARTY. And spend the money in basic research.

Mr. IANNI. Yes, sir.

Mr. FOGARTY. Because we are finding out now in the medical research programs we are getting practical results from basic research.

Mr. IANNI. This has been our experience, the basic research sets out a firm basis from which to work.

PART-TIME HELPERS FOR TEACHERS

Now in the area of English, I think we have done some curing of diseases, particularly in reading. Commissioner Keppel mentioned the use of housewives to help English teachers in schools. One of the great problems—

Mr. FOGARTY. I was going to ask you: Is that good?

Mr. IANNI. Yes, sir, that has worked very well.

Mr. KEPPEL. Yes.

Mr. FOGARTY. I read an article in the paper just recently that there was quite a bit of controversy about it among the teachers.

Mr. IANNI. By the way, this technique was developed at Harvard University.

Mr. KEPPEL. I can speak to this one. I think it is a problem worth separating out.

This particular program of having part-time helpers in English is really just the result of simple arithmetic. If you have five classes with 30 children each and you are a teacher of English and you assign one theme a week of 10 pages each, it gets to be a lot of difficult handwriting to read and it is very hard to do a good job of composition correcting. The result has been that where teachers are heavily loaded they have not assigned many themes to write, nowhere nearly enough, in the judgment of most of the good people in the field, to teach these children how to write straightforward English and explain what they mean.

The results of this particular project, which was done at Harvard and elsewhere, have just flatly shown—the statistics are perfectly clear on this—that outside judges of the improvement of the writing ability of the kids just say it was a lot better at the end of the process than it was at the beginning.

Now, the teacher attitude is, I think, based on the general problem, Mr. Chairman, of assistance in the classroom which gets bound up, obviously with problems of teachers' salaries and professional factors. I don't think in my experience—and certainly not in the three or four school systems that we work with, after the first 6 months, the problem was not that of the teachers in those school systems protesting; in fact, they kept asking for more such people.

Mr. IANNI. And also there is a side effect that is very beneficial and that is the housewives who have had training in English are able to use this background training in this fashion. Otherwise they would realistically be lost to the population.

EARLY TEST TO IDENTIFY RETARDATION

If I may, I would like to mention two other items which I think are important, in the area of mental retardation. Some significant advances have been made in the last 2 years. One of the great problems has always been the early identification of mentally retarded youngsters. Obviously, the sooner—

Mr. FOGARTY. That is still a problem?

Mr. IANNI. Yes, sir. Now we have been able to devise a test to identify them as young as 22 months of age and this test remains valid up to the age of 18.

Following early identification is a second problem: Should they be placed in special classes? This has been a controversy.

Mr. FOGARTY. How do you identify them?

Mr. IANNI. We have two different studies in this area. One is through a series of picture tests. This can be used with the 22-month-old child. But through the series of tests, we have been able to measure how the child learns simple tasks. Those retarded have difficulty in two respects: One, in learning the simple task and, second, in transferring the learning of that simple task to a more complex task.

Mr. FOGARTY. Was this considered in the survey study made by the President's Committee on Mentally Retarded?

Mr. IANNI. I do not think so, sir. This is still basic research and hasn't been tested in a large number of situations.

Mr. FOGARTY. I see. I read the report and I do not remember anything like this in the report. It is basic research.

Mr. IANNI. That's right.

Mr. FOGARTY. But are you satisfied that it is satisfactory?

Mr. IANNI. We are satisfied enough with it we would like to proceed with more research and test it in a large number of situations.

Mr. FOGARTY. How many have you tested? How many places have you—

Mr. IANNI. It has only been developed at one institution at the present time.

Mr. FOGARTY. I see. You want to try it in other institutions.

Mr. IANNI. Just as, again, in the Salk vaccine it was necessary to field test it in a lot of areas. We feel this is the way to work in every situation.

Mr. FOGARTY. What do you mean, "field tested"?

Mr. IANNI. Once the vaccine was developed, the next stage was setting up a large number of tests in different parts of the country, inoculating a large number of children, and then following these children through.

Mr. FOGARTY. I see.

Mr. IANNI. We should do this also in educational research because very often these materials are developed in a laboratory school at a university which has very small classes, with very specialized children, highly paid teachers. Because it works at the Stanford Laboratory School, this doesn't necessarily mean it is going to work in some small community in Ohio, for example.

Mr. FOGARTY. Yes, I understand that.

Mr. IANNI. And it should be tested.

Mr. FOGARTY. I think that is a very worthwhile project.

SPECIAL CLASSES FOR THE MENTALLY RETARDED

Mr. IANNI. A second project in this area which I think has even more promise concerns the longstanding controversy as to whether special classes are of benefit to mentally retarded children. The argument has usually been that they do learn better in these situations but because they are placed with other mentally retarded children this has a bad social effect upon them.

We have a study at the present time which has been following two groups of mentally retarded children, one group with special classes and the other group in a regular class. They have been followed for 3 years now.

Mr. FOGARTY. Where is that?

Mr. IANNI. That is at Illinois. And they have very conclusive results. Not only do the children learn better in the special classes but their social adjustment is considerably better, because they are able to work with each other.

Mr. FOGARTY. In special classes?

Mr. IANNI. Yes, sir.

Mr. FOGARTY. I see.

CROSS GRADE TEACHING

Mr. IANNI. And there is, again, a piece of research which is directly associated with this at the University of Michigan where Prof. Ronald Lippett is working with a new system of taking not only mentally retarded children, but gifted children in the sixth grade to work almost as teachers with children of the same type in the fourth grade. These children in the fourth grade work with children in the second grade. This is called "cross-grade teaching." And the benefits are not only to the children who are helped but also to the children who do the helping, because they do learn more about some of their own specific problems and can work better with them.

Mr. FOGARTY. Who is heading this project in Illinois?

Mr. IANNI. Professor Goldstein.

Mr. FOGARTY. And who is heading the one at Stanford?

Mr. IANNI. The one at Stanford is with Prof. Patrick Suppes.

PROJECT TALENT

One other area I would like to mention something about is the development of human talent. I am sure you have noticed there has been a change of names here.

Mr. FOGARTY. Yes.

Mr. IANNI. Originally it was "Talent," then it was "Able," then it was "Talent" again. The reason for this is probably the most exciting single discovery in the whole area of creativity.

CREATIVITY INDEPENDENT OF INTELLIGENCE

For a long time it was assumed creative children were the intelligent children; able, bright kids. Professor Getzels at Illinois has done a study and we have done a monograph already twice out of print—creativity is not the same thing as intelligence. You can have highly intelligent children who are not creative. On the other hand, you can have some very creative children who do not score highly on intelligence tests. This has completely revolutionized the whole area of dealing with talented youngsters.

We now realize there are some children with special gifts and special talents who are not necessarily highly able children. And in the major project talent study, which is the one at Pittsburgh which you referred to earlier, they have come up with a large number of findings which I can summarize—I also have a longer statement which you may want to place in the record rather than reading the whole thing.

Mr. FOGARTY. On what?

PREPARED STATEMENT ON PROJECT TALENT

Mr. IANNI. On Project Talent, the Pittsburgh study.

Mr. FOGARTY. I think we will put it in the record because this was a very controversial project 4 or 5 years ago.

(The material follows:)

PROJECT TALENT

STUDIES OF THE AMERICAN HIGH SCHOOL

GENERAL CONCLUSIONS FROM MONOGRAPH NO. 2

After completing the preliminary analyses of the Project Talent data for approximately 800 public senior high schools nationally representative of the entire country, it is possible to make certain tentative conclusions.

Levels of achievement and performance in schools vary markedly

Nearly all the students in some high schools achieve at a relatively high level, while the opposite is found in other schools. The range in average achievement for the students in specific schools is from about the 5th percentile to nearly the 95th percentile for individuals. On most achievement tests the standard deviation for school means is about 60 percent as great as the standard deviation for scores of individual students. Since high schools all tend to grade on the same curve and assign about the same grades, class rank will have relatively little absolute meaning as an indication of level of preparation for college work. The upper three-fourths of the graduates of some schools will be better prepared than will the upper quarter or even upper tenth in many other schools. This raises a difficult problem when high school class rank is used by a given college as a screen for entry unless the college draws from only a very homogeneous group of high schools.

High schools can be grouped into types of very similar schools

It has been found that many schools show a surprising degree of similarity in many important characteristics. While schools differ in hundreds or even thousands of ways, many of these differences do not appear vital to the accomplishment of many of the usual outcomes of the schools. In other more basic ways the schools differ a great deal in terms of the circumstances under which they operate, the ways they are organized and operate, and the results they get. However, it has been found that there are large groups of schools that are very similar to each other and that it is possible to divide all of the public high schools into as few as 17 homogeneous groups.

Schools are typed according to region, rural-urban status, quality of housing, and whether a vocational school

After investigating a number of bases such as school size, location, socioeconomic status as measured by the quality of housing of the area served by the school, rural-urban status, and vocational versus comprehensive high schools, for the formation of comparable groups of schools, the best of the available factors for this purpose seems to be those of region, rural-urban status, and quality of housing. Sixteen of the groups represent combinations of the above three factors. The vocational high schools form a separate 17th group. It is interesting that the regional factor only required a three-way split. Regional differences are greatly minimized when socioeconomic factors and rural-urban factors are held constant.

These 17 groups of schools seem to be very useful in presenting census or survey data about schools. Instead of just presenting information about the characteristics of the average school in the United States, it then becomes possible to present such data about groups of similar schools. It has been found possible to present school census data in terms of one characteristic compared with another. For example, it is possible to report information about expenditure levels of the schools in relation to size or to other important school characteristics. When this is presented separately for the 17 taxonomy or classification groups, it is possible to see in one presentation the interrelationships between two important school characteristics and also rural-urban status, quality of housing, region, and vocational high school status. By this method, it is possible to see many trends and relationships impossible to see when data are reported only in terms of national trends.

Many important school outcomes have been measured—English, mathematics, information, college attendance

It has been found possible to obtain useful quantitative measures of many important school outcomes, including measured achievement in various subject

matter areas as well as documented principals' reports of such outcomes as college attendance, dropout rate, absenteeism, and delinquency rate. Most of these measured school outcomes have relatively high unique relationships to membership in a given taxonomy group and also with a very few of the school characteristics as determined from the principals' reports. These outcomes have relatively low unique relationships to a host of other school characteristics from the school questionnaires. Of the several hundred measured characteristics of schools investigated, as few as a dozen seem to account for most of the variations in school output among schools.

It has been found that performance of school graduates is highly related to types of students entering each school

The average achievement test scores of a school will be very highly related to average scores on such non-curriculum-linked and nonlanguage tests as the abstract reasoning test, which is a nonverbal general scholastic aptitude test. This test in turn is relatively closely related to the characteristics of the community and also especially of the family. There is a high relationship, for example, between the abstract reasoning test scores of the students and such family characteristics as occupation of the father, education of the mother, and quality of the housing. This is probably relatively well known intuitively by observers of our schools as well as by the school administrators themselves. This is why most people feel that it is impossible to make fair comparisons of schools because "it all depends." They feel that one school cannot fairly and directly be compared with another in terms of the number of national merit scholars it produces or its average college board scores or the percent going to college or even the amount of English or mathematics that the students learn.

Schools can be compared fairly with "yardsticks" if compared with similar-type schools

However, Project Talent has obtained adequate measures of many of the important "it all depends" factors, and by holding them constant it is possible to make legitimate and fair comparisons of schools, even though these schools operate under different conditions and in different situations. The 17-group taxonomy classification system does this in conjunction with classifications on such non-curriculum-linked tests as the abstract reasoning test. Distributions of school means are available for each of the 17 groups, showing the relationship between abstract reasoning level and achievement in various areas for each of the schools. Thus, it is possible to evaluate a school in terms of how much achievement it is obtaining as compared with other similar schools with the same level of abstract reasoning. With this approach it may be found that a slum school, with low achievement, low college attendance rate, etc., may actually be doing a better-than-average job in achieving learning objectives as compared with similar schools in the same situation, whereas a suburban school, with high achievement and high college rate, may actually be performing at a below-average level as compared with similar schools dealing with similar types of students. Project Talent has indicated that it is possible to develop fair and useful yardsticks for selected school outcomes. It will be possible to develop both absolute and relative yardsticks of this sort. An absolute yardstick would be one in which the performance of seniors, for example, could be compared with the performance of ninth graders or those in other grades on a national basis, and also in some cases in terms of absolute level of performance in reading, vocabulary, spelling, etc., in which the tests actually sample some domains of reading material, spelling words, or vocabulary words. Relative yardsticks could also be practical and feasible and these would provide a measure of how well the school is achieving its outcomes as compared to how well other schools of a similar nature are achieving the same type of outcome.

"Yardsticks" are not "standards"—they measure the achievement of standards

It should be emphasized that the yardsticks are not standards. They are the way to see if standards for desired objectives are being met. Standards or goals for levels of performance would be established by the local school system. There are, of course, many objectives of the schools that cannot now be measured and as a result it is not possible to tell whether such objectives are being met at all. Nevertheless, these may be very legitimate and important objectives. On the other hand, the attainment of other objectives such as basic achievement in certain areas, and the development of basic educational skills such as reading and arithmetic, can be checked against the yardsticks of properly designed tests of achievement.

School size

How do large schools differ from small schools? Are large schools better than small schools? How large should a high school be?

The data from Project Talent shed some light on these questions. As for the first question, large schools differ from small schools in many ways other than in size. They tend to be in different places and to serve different kinds of students. This tends to make the apparent effect of school size very deceptive. What one might think is the effect of size might really be due to differences in the effect of rural versus urban communities or regional or socioeconomic differences. However, grouping the schools into homogeneous groups according to the Project Talent classification system makes it possible to see the real effects of size in schools that are similar in location and socioeconomic status. Within these groups it can be seen that the schools of different sizes differ mainly in the obvious ways—larger schools being able to offer more courses and more services and at a lower per pupil cost, other things being equal. However, this greater efficiency of larger schools in terms of the number and variety of programs they can offer at a given per pupil expenditure level may disappear if student transportation costs become excessive. Thus the optimal size of school from a cost standpoint might well be relatively small when population dispersal is extreme.

There seems to be no evidence that size per se is a necessary prerequisite for excellence of student outcomes. Many schools can be found at any size level that are achieving excellent results in terms of basic achievement in English and mathematics, and the rate at which graduates enter college, for example, and many large schools can be found with low achievement and low college entrance rates. Those students scoring well on the abstract reasoning test tend to do well in basic skills regardless of school size. In similar locations, the students at a given level of college aptitude are also about as prone to go to college in small as in large schools, a very important factor here being the availability of a low-cost local college.

Determining the best size for a given school will depend heavily upon local factors, and especially upon population concentration and the distance that students must be transported. Under some conditions a high school with 50 seniors with a given program could be more effective and efficient than one with 100 seniors and the same program. This would be under conditions that cause it to be cheaper to hire extra teachers and have new programs at that size than it would be at the larger size where transportation costs might be as much as \$200 per student per year or higher and where the students might have to spend as much as 2 hours per day riding school buses.

It would seem that larger school size is a proper and important objective in order to provide a greater variety and depth of course offerings and to make available special services such as grouping, acceleration, guidance, et cetera.

In summary, the educational outcomes associated with a school are much more related to the quality and type of students it serves than to the size of the school or most of its specific educational policies or practices. Size of school is very important insofar as it controls course offerings and services. The decision as to whether to increase school size or to provide these courses and services through other means, such as hiring extra personnel, is one which must be based on a careful analysis of local factors and costs.

The slum school and suburban school

It is rather difficult to define the slum school, but for our study it might be regarded as being equivalent to the schools in poor quality housing areas in cities of 250,000 or more population. The big city slum school would be in cities of 1,500,000 or more population, which is School Group 21 in our classification. A typical school in Group 21 has perhaps 90 teachers and 2,000 students. Its average class size is about 29 or 30. Schools in better quality housing neighborhoods in the same size cities have about 33 or 34. The slum school is also less likely to have students on double shifts. Thus the image of the slum school as being more crowded than more favored schools in the same cities is not an accurate picture.

As compared with the urban schools in more favored neighborhoods, the very large city slum school building is somewhat older but has been more recently renovated. However, the poor quality housing schools in smaller cities tend to be newer and also more recently renovated. In the slum schools the teachers are just as highly paid as are those in better quality housing schools in the same

large cities. Their teachers average as much experience and as many such schools are fully certified by the State. However, there is more teacher turnover and fewer teachers with advanced degrees.

The students in the comprehensive high schools serving slum areas average lower achievement in school subjects and average lower on aptitude tests. However, their relative average achievement in English and mathematics is just as high as that of students in the other large city schools when achievement level is adjusted for nonverbal scholastic aptitude as measured by the abstract reasoning test. Analysis of the pairs of means for the comprehensive high schools from poor housing areas shows no evidence of underperformance as relative to abstract reasoning ability. It would appear that such talent as the poor quality environment permits to emerge may be adequately developed by the schools in our large cities. If true, this is a tribute to the strenuous efforts of our large city school administrations to equalize opportunity in all of their schools regardless of location. Efforts to equalize quality of home and social environment have not been nearly as effective as have efforts to equalize school environment in our cities.

Guidance and counseling programs can be meaningfully documented and compared to professional standards

This study placed major emphasis on surveying current practices, personnel, and functions of guidance programs. Information on these broad dimensions of guidance and counseling programs may then be compared to standards recommended by the profession. This has been done for counselor personnel, duties, and functions performed in serving students' needs.

The growth of guidance programs and changes in guidance programs in public senior high schools have been measured

Estimates have been provided for the proportions of schools that have instituted guidance programs, the length of time these programs have been in existence, plans for instituting new programs, and plans for increasing guidance and testing services. The relationship of the National Defense Education Act to the institution and expansion of guidance programs was documented and discussed. Base-line data were provided for guidance programs and counselor personnel against which future studies can be compared.

Guidance and counseling programs can be grouped by the same type of taxonomy system as was used for schools

Grouping the guidance programs by the taxonomy system has the effect of controlling for U.S. Office of Education region, rural-urban location, socioeconomic level of the area (housing quality), and the type of high school (vocational versus general comprehensive). Grouping the schools in this way also permits generalization of results to meaningful subpopulations. It is recognized that this grouping controls the external factors that are largely beyond the control of the school or the guidance program. Introducing within this context data on student-counselor ratios, on the functions performed by the guidance program, and on the intellectual and background characteristics of the students should provide a more useful basis for conducting research on the relationship of guidance program functions to serving student needs and to evaluating the effects of guidance.

Guidance and counseling efforts vary greatly in the different schools

Having a guidance program, the number and qualifications of counselor personnel, guidance facilities and resources, duties performed, and communication efforts differed according to the size of the senior class, U.S. Office of Education region, rural-urban location, city size, and socioeconomic level of the neighborhood (quality of housing). For example, it was found that for larger schools as compared with smaller schools, a larger proportion had guidance programs and had had guidance programs for a longer period of time; resources and facilities were more favorable (such as adequate clerical assistance and the guidance budget); more and better trained counselors were available; and a greater variety of methods was used to impart information to the students. Differences associated with Office of Education region, rural-urban location, city size, and socioeconomic level are shown in the taxonomy group analysis in chapters 7 and 8.

Having a guidance program and the age of the program is associated with using standardized tests and with a greater number of efforts being made to communicate educational and occupational information to students

The evidence appears to show that schools having had a guidance program for a period of time (1958 or earlier) use a greater number and variety of tests and have a greater number of purposes for which tests are used. In addition to testing, the informational function of guidance is stressed. Printed matter on occupations, colleges, and military service is more often available in schools which have had guidance programs for a period of time. These schools with guidance programs also tend to use a greater variety of methods for presenting information to students on college, scholarships, occupations, and the military service.

The major duties carried out by counselors appear to be educational rather than vocational or personal

The educational problems encountered by counselors most often are planning high school programs, problems with regard to low grades, college planning, and planning for other training after high school. Vocational counseling appears with lesser frequency than does educational counseling. Placement received relatively infrequent mention. It appears, too, that those personal and personality problems that are dealt with are largely day-to-day interactions of students with teachers and among students rather than with personality development.

Counselor-student ratios and counselor-school ratios were calculated and compared

Information was obtained from the guidance program questionnaire and from the counselor's questionnaire on the number of counselors. The data from these two sources were used to compare counselor-student ratios and counselor-school ratios. The results appear to show that estimates of full-time counselor personnel obtained from the guidance program questionnaire (completed by the person in charge of guidance or by the principal) were most comparable to the counselor's questionnaire estimates of persons spending 70 or more percent of their time in counseling and guidance. It appears, too, that estimates of part-time counselor personnel from the guidance program questionnaire include a large number of persons spending less than 20 percent of their time on guidance duties. Presumably, these are teaching personnel rather than counselors. Counselor-school ratios probably do not serve as accurate indicators of the availability of counselor personnel to individual students, inasmuch as the schools vary a great deal in enrollments. However, the counselor-school ratio may be used as an indication of the extent to which schools are minimally staffed. The student-counselor ratios obtained from the counselor's questionnaire do not compare favorably (498 to 1 for counselors with a graduate course in counseling; 738 to 1 for full-time equivalent counselors; and 1,316 to 1 for those with a graduate course in practicum) with the recommended ratios of 300 to 1 or 250 to 1. The ratio of students to counselors with a graduate course in practicum was the least favorable of all those calculated and suggests the need for additional training.

Counselor personnel are products of the educational system

Only a very small proportion of the counselors did not have teaching experience. A very large proportion had had more than 10 years of teaching experience. In addition, the majority of the counselors also taught or did administrative work.

The formal training of counselors tends to be minimal in the critical counseling and related areas

Only 17 percent of the counselors had a course in practicum, less than 1 percent held a doctorate degree, and many of those holding the master's degree did not appear to hold that degree in counseling.

It is possible to study the effectiveness of guidance program efforts with the data from the guidance program questionnaire and the counselor's questionnaire

The data from the guidance program questionnaire and the counselor's questionnaire may be thought of as predictor variables in a predictor-criterion equation. It is planned to organize these data in such a way that they might be effectively related to various student criteria such as educational and vocational choices, staying in college, and entering into an appropriate occupation. The

arrangement of the data by taxonomy groups permits control for location (region, rural-urban status, and city size), and socioeconomic factors (housing quality). It should be possible to study relationships between student-counselor ratios and effects on the student body. In this way empirical evidence may be brought to bear on optimal staffing arrangements for guidance programs.

The use of tests in public high schools

A very extensive section of the guidance program questionnaire concerned the school's use of tests. The results from the questionnaire were tabulated according to the 17 taxonomy groups. These questionnaires were filled out by the school counselor or other staff member responsible for guidance. Of the 808 public senior high schools from which we received replies 635, or 79 percent, responded that they had guidance programs. Of those schools which answered that they had guidance programs in their school, over 90 percent said that their counseling, guidance, and testing had been increased in recent years. The majority of these, especially outside of the large cities, indicated that it had been in the past 2 years; that is, 2 years before the spring of 1960. The same situation was found in regard to the use of tests. Nationally, over 90 percent of the schools with guidance programs indicated that they were making greater use of standardized tests. Overwhelmingly it was reported by most schools that they had increased their participation in State, national, and regional testing programs, had increased the tendency to keep detailed records of students' progress, and are making more effective use of test results.

An overwhelming majority of the schools indicated that they plan to increase their use of standardized tests. Of the small number not saying that they plan to increase their testing, most are doing a great deal of testing now and perhaps do not need to increase their use of standardized tests. There seems to be little or no visible reaction against the use of standardized tests. Nearly all schools also thought that they were making more effective use of tests than they were 2 years earlier.

The survey results fail to show any evidence of a reaction against the use of tests. There seems to be a strong trend toward increased use of tests together with strengthened guidance programs and the belief by the schools that they are using test results with greater effectiveness. It was found that the policy of reporting test scores to parents is associated positively with the reading level and housing quality of the area served by the school. Schools' patterns of test administration, use, and interpretation show many significant relationships with such factors as region, rural-urban status, and socioeconomic factors as reflected in the 17 taxonomy groups of high schools.

CAUSE AND EFFECT IN EDUCATION

Statistics do not prove cause and effect

It is not possible to prove cause and effect relationships from Project Talent data or any other similar statistical data based on relating past measures of behavior with each other. For example, it is not possible to prove unequivocally by statistical survey methods that higher teacher salaries cause higher school achievement. On the other hand, it is possible to do analyses that make it appear quite likely that these higher salaries may be one of the most important factors in obtaining higher achievement. At the same time, it is possible to use equivalent methods to indicate that it is extremely unlikely that size of school as such is a necessary prerequisite for high achievement because there is no associational evidence at all in this direction. A given factor is extremely unlikely to be a causative factor if its shows no unique validity for the target behavior or criterion in a comprehensive set of data where the other important factors are being held constant. It is possible to deduce with much more confidence that things are not likely to be causative factors than it is to deduce that they are causative factors. We could conclude, with some confidence, that higher salaries would likely cause more learning in the long run, but we could predict with a great deal more confidence that an increase in the average size of school would be very unlikely by itself to have an important effect on most school learning.

Factors that seem likely to be of prime importance in achieving school outcomes

The Project Talent data to date indicate that four of the most important treatment factors closely and uniquely associated with school outcomes such as achievement and going to college and staying in school are:

- (a) Teacher salaries.
- (b) Teacher experience.
- (c) Number of books in the school library.
- (d) Per-pupil expenditure.

These four factors remain important even after region, rural-urban status, and such socioeconomic factors as median family income and quality of housing are held constant. It is possible that teacher salary schedule may be a good general indirect index of teacher quality. A school with a salary schedule above average for its teacher recruiting area can have better teachers and hold them easier than a school with lower salaries.

It should be cautioned that we cannot conclude for sure that these factors are causing the differences in school outcomes. It may be that they are caused by some outside factors which are just being mirrored or reflected by these above measures. Nevertheless, their contribution is important even after as many as 30 of the most important school and community characteristics have been held constant in multiple regression analyses.

Factors that seem less likely to be of prime importance in achieving school outcomes

On the other hand, we can be much more confident in concluding that many other factors are not likely to be prime causes of school excellence since they do not have any sizable unique correspondence with school outcomes. The data in Project Talent indicate that some school characteristics seem very unlikely to be prime causes of school excellence of output. Among these seem to be:

- (a) School size.
- (b) Average size of classes.
- (c) Age of building.
- (d) Suburban location.

Out of the hundreds of school characteristics studied in the school characteristics questionnaires, a very few of them seem likely to be possible prime causes. At least the Project Talent data do not rule them out. If we were to make an analogy to a detective story, these would be the few out of hundreds of suspects that had the opportunity and motivation to commit the crime and cannot prove their whereabouts at the time of the crime. It will, of course, require experimentation to prove causation. Perhaps one of the most valuable payoffs of Project Talent data is to focus the attention on the factors on which experimentation might profitably concentrate and the factors most important to hold constant in well designed experiments.

School innovations can be assessed and evaluated

Project Talent results do have a valuable payoff in support of experimentation and innovation since these results establish baselines for expected performance under various normal conditions. One way to evaluate new innovations is by comparing the results obtained with the results that would be predicted on the basis of past practices and experience factors as well as by important situational factors.

Excellence in education seems to be caused by a large number of factors each of which contributes a very small fraction of the total. The effects of a moderate variation in any single one of these hundreds of school factors are difficult to assess. Project Talent has identified some of the factors which are associated with high levels of achievement on these tests. Further followup of the student prepared in these schools should enable us to clarify the components of the effective secondary school.

Mr. FOGARTY. It was discussed quite thoroughly on the floor of the House. I was very pleased to see the end results were good.

TYPE OF STUDENTS CHOOSING EDUCATION CAREER

Mr. IANNI. There was one recent finding there which I think perhaps is going to make a great change in education. We have usually assumed the poorest students go into education. Professor Flanagan's results seem to indicate this is not necessarily so.

In New England, the Midwest, and the Great Plains area, he took the students in the highest 20 percent of high school achievement tests and followed them through to see what they majored in in college. In all three of these areas, the students in education tended to fall in the high 20-percent group more often than in any other single occupation, including physicians, physicists, engineers, and others.

The reason for this may be that these data are not distributed by sex and this may represent a lot of very bright girls going into teaching, and he is working on this problem at this time. This may change our concepts of who goes into teaching and who is not going into teaching.

Mr. FOGARTY. Is there anything else you would like to say on talent?

PRELIMINARY REPORT OF PROJECT TALENT

Mr. KEPPEL. I merely ask whether the first report of the project has been made available.

Mr. IANNI. Yes, sir, the first report we presented last year, sir, and that was in the record, also.

Mr. FOGARTY. Perhaps you should get that and put it in the record again.

Mr. IANNI. All right, sir.
(The material follows:)

PROJECT TALENT PRELIMINARY FINDINGS¹

(By John C. Flanagan, University of Pittsburgh)

In March 1960, in 1,353 secondary schools selected to represent the high schools of the United States, 440,000 students answered about 2,000 questions over a period of 2 school days. These answers provided the basic data of Project Talent, a study of the identification, development, and utilization of the talents of American youth.

Careful planning preceded this national testing phase. The planning began in 1957 and involved the participation of 30 of the Nation's leading experts in problems of testing, counseling and guidance, manpower and sociology, and educational research. In the period of almost 2 years since the testing in March 1960, more than 2 million answer sheets were scored and scanned by electronic equipment and the data punched into 5 million cards. This scoring and punching operation was completed 1 year ago. Since then the data have been transferred from cards to magnetic tape and the data for each student are now in the process of being collected together on the tape and edited for consistency and accuracy. In packed form the data from the 5 million cards will fit on only 50 reels of tape. The advantages of having the data in this form are clearly indicated by the fact that a complete scanning of the edited tape to complete the analysis of some specific fact about each of the students can be done in less than 4 hours.

The 1960 testing represented the culmination of a long and thorough planning phase. However, in an important sense it was only the beginning since followups to check on the progress of these students are planned for 1, 5, 10, and 20 years after each of them graduates from high school. The first 1-year followup is now in progress, and already replies have been received from about 60,000

¹ Paper prepared for presentation at the annual meeting of the American Educational Research Association and the American Association of School Administrators, Atlantic City, N.J., Feb. 20, 1962.

of those tested as seniors. About half of them, nearly 30,000, report they have entered college. The data on each of these students will be merged with the basic data for analysis later this spring.

What do we hope to find from this study? Primarily we are focusing on a better understanding of American youth. What are the patterns of talents of young people in the rural areas, in the big cities, in cheap apartments, in residential areas, in the Deep South, or in the Middle West? What are the educational opportunities of each of these students and how well are they profiting from these opportunities? What counseling and guidance is offered them and do they appear to be making wise choices based on sound information in planning for further education and a suitable career?

Some of these questions will take many years to answer. We'd like to bring you up to date on a few of the preliminary results we have obtained from some of the first analyses and outline some of the other analyses now planned. Specifically we'd like to tell you some of our findings about the American high school and its educational program, about the diversities and also the similarities which have led us to a classification system for American high schools, about the achievements of our boys and girls, and the rates at which they progress in acquiring new information and skills in the high school, and finally, some of the possible implications of these findings for the development and improvement of educational programs.

The studies of the counseling and guidance programs in the American high schools are progressing well and will be released in about 2 months. None of the results from this analysis will be reported here.

STUDENT PERFORMANCE AND ITS RELATION TO SCHOOL CHARACTERISTICS

How competent are the graduates of the American high schools in the basic tool subjects? To enable us to answer this question in terms meaningful to both parents and teachers we need to have measures of performance which can be directly interpreted.

The staff of Project Talent has made an effort to provide such directly meaningful scores in certain fields. Looking first at the field of English, we find that the average 12th grade student is able to spell correctly 92.5 percent of the 5,000 most frequently used words in English.² Is this good or bad? How could it be most efficiently improved? What increased investment of time would be required? How long would the improved knowledge be retained? These are research questions some of which we hope to answer on the basis of analyses of our data. Others will require special research studies. For the present we have a basic point of reference which can aid in interpreting all future studies of spelling.

Next let us look at the ability to apply the rules for capitalization correctly. The average 12th-grade student was found to apply the rules of capitalization correctly in 90 percent of a set of examples based on all of the rules of capitalization. In regard to punctuation the average 12th-grade student was able to apply the rules of punctuation correctly in 68 percent of the examples given. Sampling from among the most common errors in English usage it was found that the average 12th-grade student was able to identify the correct usage in 69 percent of the examples included. In selecting the most effective ways of expressing an idea from among three or four possible ways of stating this idea, the average 12th-grade student identified the most effective sentence in 76 percent of the sets given.

One of the most important of the basic educational skills is the ability to understand what is read. Two types of reading matter were selected to provide meaningful reports of the students' ability to read. The first of these was periodicals. From among several selections from each of 10 periodicals, 2 were chosen as typical of the reading matter in the periodical. Questions were written to judge the completeness of the reader's understanding of these paragraphs. These questions ignored the simpler aspects of understanding words or sentences and were aimed at determining the broader ideas, purposes, and implications contained in these paragraphs. It was found that for typical articles in motion picture magazines such as *Modern Screen* or *Silver Screen* the average 12th-grade student was able to answer 78 percent of questions correctly. For other magazines the results were: *Saturday Evening Post*, 54 per-

² Thorndike, E. L., and Lorge, I., "The Teacher's Word Book of 30,000 Words." New York: Teachers College, Columbia University, 1944.

cent; Look, 47 percent; Reader's Digest, 44 percent; Pageant, 40 percent; McCall's, 38 percent; Time, 35 percent; Fortune, 33 percent; the Atlantic Monthly, 28 percent; and the Saturday Review, 28 percent. Clearly there is much, even in some of the relatively popular magazines, which is beyond the level of reading comprehension attained by the graduates of our high schools.

The other type of reading matter selected was chosen from the writings of well-known novelists. The same pattern was followed for choosing two selections judged typical of the author's work and developing questions measuring the thoroughness of the reader's understanding of the paragraphs. The extent to which the average 12th-grade student was able to answer the questions correctly for the writings of each of these authors is as follows:

<i>Author and selections</i>	<i>Percent of questions correctly answered</i>
Alcott, Louisa May.....	67
Eight Cousins, Jo's Boys	
Stevenson, Robert Louis.....	58
Treasure Island, The Black Arrow	
Cather, Willa.....	50
Sapphira and the Slave Girl, A Lost Lady	
Lewis, Sinclair.....	47
Dodsworth, Ann Vickers	
Verne, Jules.....	47
Twenty Thousand Leagues Under the Sea, The Purchase of the North Pole	
Kipling, Rudyard.....	45
Kim, The Complete Stalky and Company	
Dostoevsky, Fyodor.....	43
A Raw Youth, Crime and Punishment	
Conrad, Joseph.....	40
The Arrow of Gold, The End of the Tether	
Austen, Jane.....	33
Northanger Abbey, Mansfield Park	
Mann, Thomas.....	28
Joseph and His Brothers, Dr. Faustus	

These results certainly make it clear that the average 12th grader is not able to comprehend fully the ideas that the authors of many of our classic novels have attempted to convey. These findings have many implications for the teaching of English and the social studies in our high schools. Certainly development and research in these areas must take into account the basic points of reference established by this national survey.

Among the findings from the preliminary analyses of the results, one with great importance for any efforts to improve present educational procedures is that 25 to 30 percent of 9th-grade students have already reached a higher level of performance on these tests than is attained by the average 12th-grade student. This indicates the desirability of adapting instruction to individual student needs rather than giving them all the same instructional program.

Another set of findings with important implications for improving instructional procedures relates to the rate at which new information can be learned by students at the high school level. It was found that the average 12th-grade student can learn the English equivalents of three words in a foreign language for each minute of study time. This suggests that many present instructional procedures are much less efficient than optimal learning situations would be. Here again is a basic reference point to be considered in developing new instructional programs. It is also important to note that with respect to rate of learning that the top 5 percent of the students are able to learn twice as rapidly, six words per minute, as compared with three for the average student in their groups.

Two other basic reference points relating to the skills of 12th grade students were established with respect to arithmetic computation and clerical checking. The average 12th grade student was able to add, subtract, multiply, or divide two numbers (usually of two digits each) at a rate of 4.6 correct answers per minute with 0.3 error per minute. Similarly the average 12th grade student was able to compare two names in the clerical checking task at a rate of 13.3 correct comparisons per minute with 1.3 errors per minute.

Some preliminary simple comparisons have been made between school characteristics and the students' educational achievement levels. In looking at these results one is impressed immediately by the great differences in the levels of student achievement in various schools. The variability in a set of mean scores for 12th grades in the Nation's high schools is at least half as great as the variability of the scores of all the Nation's 12th grade students. Thus, in 10 percent of the schools the average score of the students in the 12th grade on an achievement test is below the 26th percentile for the complete distribution of the 12th grade students.

Perhaps the simplest relations which are evident from this survey are the regional differences in student performance. On most tests the scores for students in the Northeast section of the country are high. Students in the Southeast section tend to be low, and the rest of the country falls in between. Previous findings of this type led to the conclusion that students in the urban schools get much better scores on educational achievement tests than students in rural high schools. This difference is found to be quite small. The mean scores on these tests for students in urban high schools are only slightly higher than those for students in rural or small town schools. In terms of a product moment correlation coefficient this relation is only 0.12.

Another popular misconception is that students in large high schools learn much more than students in small high schools. The correlation coefficient between senior class size and the average scores on these tests of educational achievement was found to be only 0.14.

These are simple correlations and it is planned to make much more systematic and carefully controlled analyses of the relations between school characteristics and student performance. For example, analyses will be done within the 17 categories into which the high schools have been classified. However, in terms of the present simple correlation procedures it is interesting to observe that by far the largest coefficient between any characteristic of the school and the average total information score of the students is found for the beginning salary the school pays its teachers. This correlation is 0.50. The next highest correlations with these average scores were found for two somewhat related characteristics of the high schools—a coefficient of 0.39 with the total school expenditure per pupil and a coefficient of 0.38 with the quality of housing in the area served by the school.

These results are only preliminary. Detailed analyses are now in progress relating the 1,000 items regarding school characteristics to various aspects of student achievement. The school characteristics include such variables as average class size in science and mathematics, homework requirements, the use of homogeneous grouping, policy with respect to acceleration of superior students, course offerings, and number of books in the library. It is anticipated that the analyses of these school characteristics in relation to student performance will shed further light on the design of effective instructional procedures.

SUMMARY AND CONCLUSIONS

What conclusions can be drawn from these preliminary analyses of the results from testing 440,000 students in the 9th, 10th, 11th, and 12th grades in a sample of more than a thousand high schools representing the country as a whole? Probably the most significant of these early findings are the following:

(1) The very large amounts of variation found for the students within a grade in both the extent of the knowledge they now have and in the rate at which they can acquire new knowledge strongly suggest the need for adapting instruction to the needs and abilities of the individual student. This great variation in student knowledge is illustrated by the finding that for most tests of information 25 to 30 percent of the 9th-grade students already exceed the average of the 12th-grade students. The variation in rates of learning is shown by the finding that the best 5 percent of the students learn new information at twice the rate of the average student. An optimal instructional program for the individual will begin at the level the student has already attained and proceed at the rate of which he has been found capable.

(2) A second point to be given major attention in the development of instructional programs which is implied by some of the preliminary findings is the importance of planned review and integration. The compartmentalization of educational materials into subjects and courses appears frequently to result in an inefficient instructional program. If a subject is worth the investment

in time required to learn it, this subject is also worth the investment of time required to retain it and apply it in other areas of instruction.

(3) A program for the improvement of education in our high schools requires a comprehensive set of measurement procedures which will permit the researcher, the teacher, the school administrator, and also the parent to evaluate the progress of students exposed to special instructional programs. These measures should be reported in terms which have as much direct meaning as possible. Examples of such efforts in this study include the direct interpretation of spelling scores in terms of the ability to spell the 5,000 most frequently used English words; the interpretation of reading comprehension in terms of well-known types of reading materials; the reporting of arithmetic computations in terms of operations per minute and errors per minute; and the reporting of clerical checking performance in terms of pairs of names checked correctly per minute and errors per minute. It is also important that basic reference points be established in terms of these measures.

(4) The final conclusion concerns the relation between student performance on tests of educational achievement and special characteristics of the schools these students attend. It is clear that nearly all sections of the country have both high and low schools with respect to the average performance of their students. It is clear that neither the number of students in the school (for example, more than 100 seniors) nor its location in an urban rather than a rural area are substantially related to the amount of learning of these students. Economic factors as illustrated by the beginning salary paid to teachers appear much more significantly related to the student's achievement.

Although much remains to be done it appears that the data bank established by this project and the followups planned for these students over the next several years should provide useful information for the important task of improving the quality of education in America's high schools.

BENEFITS OF SPECIAL CLASSES FOR ABLE STUDENTS

Mr. IANNI. May I add just one other thing to talent, which refers to something you mentioned yesterday about the special classes which are set up for highly able students.

We have some research results now where what they have done is to take children in these highly specialized, highly able classes, and to divide them by social class background. And what they have found is that those children who have high intelligence and high ability and who come from upper income families do not benefit significantly from these special classes.

The ones who do benefit are those students who have high ability and come from lower socioeconomic backgrounds. And it seems that just their association with these other children, getting some of the benefits which they have at home but which the lower class children do not have at home, makes a considerable difference as to how they are able to learn.

Mr. FOGARTY. But what is being done to find these children with lower socioeconomic backgrounds?

Mr. IANNI. We have two programs, one in New York City at the present time and one in Detroit, which are both aimed toward locating talented youngsters.

The first problem is to develop a test which can identify talent. Because of this insistence on high intelligence in the past, most of the tests are based on high intelligence. If you score highly on the intelligence test, the assumption is you are a creative youngster.

Now, Professor Getsels and also Professor Guilford in California are working on new tests of creativity to identify creative chil-

dren, whether they have intelligence or not. This is the first problem, I think, in terms of identification and location of these children.

Mr. FOGARTY. Well, it is not being done generally, is it, in the school systems?

Mr. IANNI. No, sir; this is something we would like to see done.

This is one of our most persistent problems; that is, normally these things are done at one university on a project basis; by setting up such things as Project Talent and Project English, we are able to bring together large numbers of researchers and scholars in a concerted effort.

Mr. FOGARTY. And these are only made possible because of this cooperative research program?

Mr. IANNI. Yes, sir. That is right.

Mr. FOGARTY. Do you want to ask some questions before we leave this subject?

SHIFTING FROM FEDERAL TO PRIVATE FINANCING OF ESTABLISHED PROJECTS

Mr. LESINSKI. I would like to ask: Are these programs to be phased out at a future date or are they to continue on constantly after your findings?

Mr. IANNI. Our assumption, sir, concerning what would happen in such areas as English, is that once the level of research competence in English is built up to a particular point where it can continue, that then the special emphasis would disappear and it would become a portion of our regular program.

Now, this is already beginning to happen in English. When Project English was first started, the year before its inauguration, we had received 16 proposals in the field of English. Of these 16 proposals, not 1 really had the research sophistication for support.

Following the inauguration of the Project Talent we received 40 proposals, 10 of which were supported.

At the present time about one-fourth of all proposals are in the field of English. Now some of the people who have been doing this research are already building up their own research staff at universities and will continue without Federal support.

Mr. LESINSKI. I have been reading for many years about various projects around the country. For instance, on the east coast they have a new teaching method that was originally brought over from Italy, and then there is the other center, I think it is in New Jersey or somewhere, where they are teaching gifted children.

These are being done with private funds.

Mr. IANNI. That's right.

Mr. LESINSKI. The point I am driving at is I think the intention of HEW is correct in trying to collectivize, get this information together and give it to the other schools. But how far should we, as the Federal Government, carry these findings to the Nation? That is what I am driving at.

Mr. IANNI. I think there is a special characteristic of our program, that we operate on a cooperative basis. The money is not all supplied by the Federal Government.

For example, in our general research projects, about 38 percent of the funds for research projects comes from the local institution.

In our curriculum development program, close to 50 percent of all funds comes from the local institution, as contrasted to the Federal Government's contribution, and this percent is constantly going up.

DUPLICATION OF RESEARCH

Mr. LESINSKI. The point I was trying to bring across is that HEW, in so many fields, is duplicating effort that is done in chemistry and different laboratories throughout the country. I grant you some of the things that we should know about, HEW gives funds toward a certain industry to do research and development, but in my mind I am not sure. I know the intent of HEW is good. I am not arguing—

Mr. FOGARTY. We are talking about education now. If there are any examples of duplication I wish you would bring it up.

Mr. IANNI. The operating budget for research and development is one-tenth of 1 percent of the total expenditure for education, as contrasted to fields like medicine and industry where it is between 15 and 35 percent.

Mr. LESINSKI. Well, I will have to admit sincerely that education is the important basis for the future of America. I will not argue that question, period. I am all for it. But the only thing is that sometimes to have two similar projects going is good—

Mr. IANNI. Yes.

Mr. LESINSKI. But to have too many projects going of the same nature is bad, wasting money.

Mr. IANNI. I think if there is any area of research where this is not true, it is the field of education.

Mr. FOGARTY. I would think so, because you have just been getting into this field.

Mr. IANNI. That is true.

Mr. FOGARTY. Whereas the Public Health Service has been at it for quite a while. Some of the leading doctors in the world tell us that a little duplication does not hurt in medical research. It is a good thing. But all I know is what they tell us.

Mr. KELLY. This is a tremendous area of public expenditure, the field of education, and none of the public bodies have assumed responsibility for large-scale research.

When this program was started 6 or 7 years ago, the amount of research being done in the field of education was pitifully weak. And the number of people who trained themselves and developed themselves to be researchers is so few.

This program, in answer to your question, will continue. I think it really is at an embryonic stage. It is just at the stage of development.

The individual projects, like the emphasis on English, will, of course, shift and change.

EARLY TEST TO IDENTIFY RETARDATION

Mr. FOGARTY. Well, this study that was made at Stanford to make this determination at the age of 22 months whether a child is mentally retarded or not, in my opinion, would be worth the entire \$7 million

we are spending in cooperative research if that stands up. That is the first time that this has been possible?

Mr. KEPPEL. That's right.

COORDINATING RESEARCH EFFORTS

Mr. IANNI. Mr. Lesinski, I think there is one other point also, that one of the necessary portions of every application is a review of the research already being conducted in this particular area. So that we know, as a result of our panels of experts, what is already being done.

One of the primary reasons for rejecting a proposal is that this has already been done elsewhere or it is being done elsewhere, whether with Federal funds or with private funds.

Given the really meager amount of money for educational research, we simply cannot afford even to duplicate as much as we should be duplicating in the area of research.

DUPLICATION IN RESEARCH

Mr. LESINSKI. As far as duplication is concerned, there is always talk about combining the three military: Air Force, Army, and Navy. I am opposed to putting them all under one head.

There is some duplication. For instance, the Army was developing an airplane for combat and so was the Navy. Well, the Army found out the Navy had a better plane, so the Army has it, and so forth, back and forth. When you have more than one group working on a problem they seem to tend to go about it in a different fashion which is good and maybe this one is first or the other one is first, whereas if you have only one research group on a subject you have the charge that it may take so much longer to get the answer.

Mr. IANNI. Yes.

Mr. LESINSKI. I am not opposed to duplication per se. We have 10 or 15 projects—

Mr. IANNI. Of course, this is one of the primary benefits of our program in research efforts in English and talent; normally in a university atmosphere you have someone at university X and somebody at university Y doing a similar project. There is no cross-fertilization.

We have, for example, established a widespread newsletter going to all universities telling what other people are doing. So, if anything, this approach brings together individuals who are working on the same problems.

Mr. LESINSKI. I read in last night's paper where the students of the University of Milan are striking because the curriculum was too low; they want better, higher standards. They wanted to weed out the poor students, and I can understand their position. The professors are opposed to it, possibly because of inept professors.

Mr. IANNI. And you can't, of course, identify the poor students unless you do research.

Mr. FOGARTY. I think that is a good example of eliminating duplication.

Mr. LAIRD. I would like to say, Mr. Chairman, I am really for duplication of research. I believe that it is sometimes necessary in re-

search and probably we have gotten more out of defense research where we have had duplication, competition, checking of ideas, than where you do not have duplication. I am for millions for duplication but I am not for a dollar for triplication, quadruplication, et cetera.

DIRECTED RESEARCH

I am a little concerned about this program level and the direction of this program. In the 1964 estimates we have an increase from \$5 million to \$7.5 million in the area of nondirected research, and we have a program increase from \$1.8 million to \$9.3 million in the directed area of this particular program.

Now in basic research, which is lacking in education, I personally believe that the nondirected area perhaps will do the most good and we will get the most benefit out of this nondirected area, because in the directed area there are foundations and other groups that are willing to make finances available in many of the schools, teachers' institutions, educational colleges, and universities. Also, in the directed area, it is easier to get this approved in the budget of the State universities and in the budget as it goes before the State legislature. But the area where I think the Office of Education can be of real significance is in the nondirected area of research.

Mr. IANNI. May I respond to that, Mr. Laird?

I think there is another way of looking at directed research or "programed" research, as we call it. Our concept of directed research is not what is normally known as directed research, in that you go to university A and say: "We are interested in this problem; will you work on this problem for us?" But rather what we do is to focus special attention on particular problems.

Now, realistically, in the area of talent, for example, I can think of no project we have supported which we would not have supported had it come in as part of the nonprogramed area.

What this has done is to let people at universities know that we are interested in this particular area and also to give us the opportunity to pull together a lot of research which, under a nonprogramed approach would be largely done at many different universities with a considerable amount of duplication.

We are in no way underplaying the nonprogramed area. This is growing, also.

What is happening is that we are selecting parts of the nonprogramed area for special attention because they are areas where we have in the past received relatively few proposals and where we feel the competence has to be built up very dramatically in the next few years.

Once they are built up, then, of course, they will become part of the nonprogramed area again.

PROGRAMED AND NONPROGRAMED RESEARCH

Mr. LAIRD. We said in the 1963 House report that the Committee feels that all cooperative research project applications should be evaluated and approved by the Research Advisory Committee and that the same degree of financing with regard to those approved by the Committee should prevail in all areas of research, programed and non-programed.

I read in the justification here, page 21, "Action taken or to be taken" and, you know, I read that over three or four times and it seems to me that the statement says absolutely nothing.

Now I know you people in the Office of Education are very capable with words, but tell me what that statement means. It does not seem to me to mean what the Committee said in its report.

Mr. IANNI. I think it does.

Mr. Chairman, we have a chart this year. May I use it at this time?

Mr. FOGARTY. If it will help answer the last question.

Mr. IANNI. I think the chart will show how we have done this.

Mr. KEPPEL. May I speak to this, Mr. Laird, I have some sympathy with you on the point.

If I understood what the 1963 report said, that these projects, both programed and nonprogramed, should be reviewed by a common judgment, by the judgment of a group——

Mr. LAIRD. And not a higher priority put on one than the other.

Mr. KEPPEL. This was my understanding of it.

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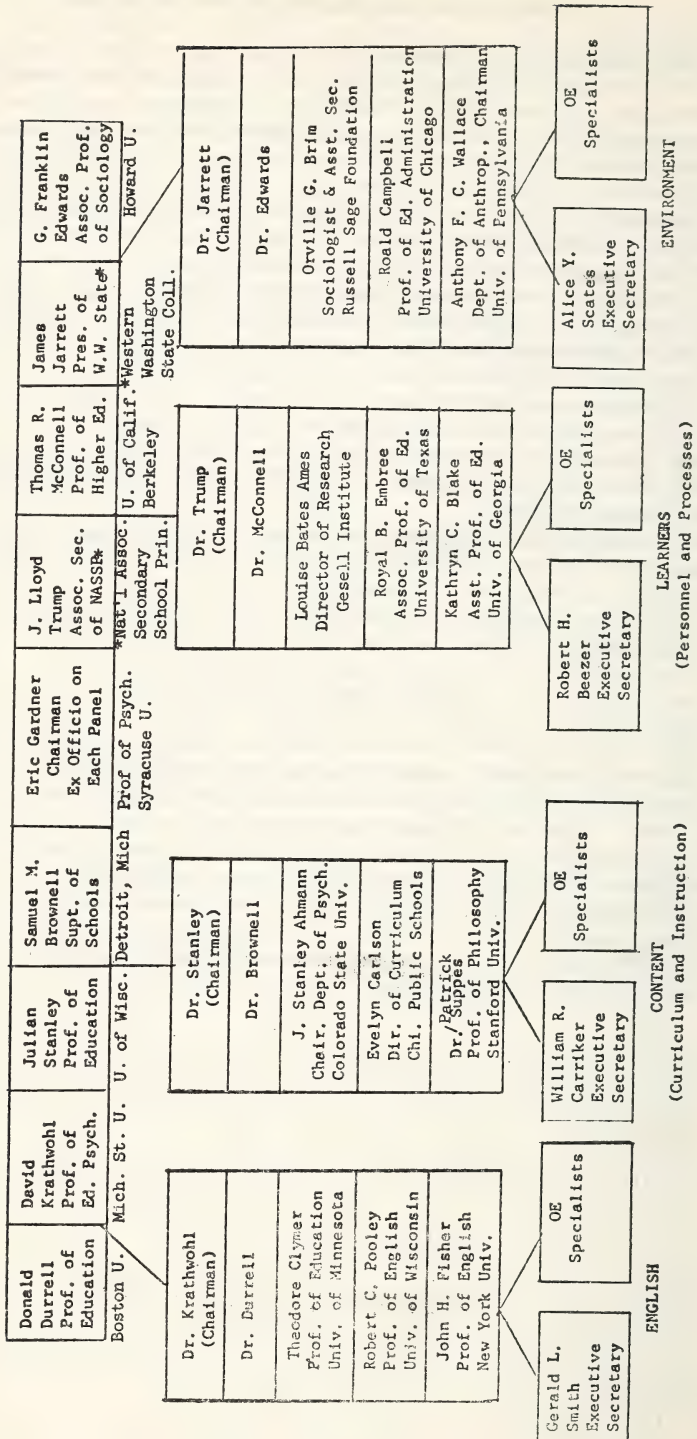
Now what has been done—and before I came down I handled part of this as a consultant, therefore I can speak with some personal knowledge—what has been done is to take the committee, whose names are to be found—those in gray are the members of the committee, the overall research advisory council of which Eric Gardner, from Syracuse, is chairman. Then you will see the names as you go down.

Mr. FOGARTY. Will you put in the record these names, full name and title?

Mr. KEPPEL. I have a copy of that and I will do it, sir.

(The information follows:)

COOPERATIVE RESEARCH PROGRAM
REVIEW PANELS



APPLICATION REVIEW PROCEDURE

Mr. KEPPEL. There is a problem, of course, a sheer administrative problem, with a very large number of applications. You have to get a screening process before the full group reviews it. That group of men who are consultants in the sense of being members of the committee, would be literally swamped by the number of applications for both programed and nonprogramed research, if they tried to review them all.

At present you will notice that they have been divided in one sense and pulled together in another. They have been divided in the sense beginning with Krathwohl and going through Clymer as a group, plus others added to them who are specialists in the field of English, assigned for the first review of all proposals that come in in English. Beginning with Stanley and ending with Suppes, whose name has already been mentioned with regard to mental retardation, all proposals that can reasonably be put under the heading "Curriculum and Instruction" go first through that panel.

That first review is followed by a review by the body as a whole. All proposals go through the full meeting of the Research Advisory Council under Professor Gardner's chairmanship.

So I think that the report of the committee in 1963 is being carried out, at least as far as I could see, in the only efficient way we could do it, that is, first a screening group, then the overall group, which is responsible for all projects from different areas.

Mr. FOGARTY. Is that former Commissioner of Education Brownell?

Mr. KEPPEL. That is Samuel Brownell.

Mr. FOGARTY. From Detroit.

Mr. KEPPEL. Superintendent of schools from Detroit.

PRIORITY RATINGS FOR GRANTS

Mr. LAIRD. What I do not understand is how they assign priority ratings.

Mr. IANNI. The priority ratings are assigned to proposals regardless of the panel from which they come.

Mr. LAIRD. Regardless of whether they are programed or nonprogramed?

Mr. IANNI. That is right.

Mr. KEPPEL. Yes, sir. That is correct.

Mr. LAIRD. Were there any projects that had a higher rating in the nonprogramed area that were turned down in order to finance a project in the programed area?

Mr. IANNI. No, sir. This has not occurred.

Mr. LAIRD. That has not occurred?

Mr. IANNI. Nor realistically can it occur under this system because when it comes to the final review they review the proposal on its own merits regardless of the area from which it comes.

Mr. LAIRD. What does "programed" mean if they all—

Mr. IANNI. "Programed" means we place special emphasis on stimulation in that area, that we spend more time trying to get good proposals in that particular area because in the past we have not received particularly good proposals in that area.

Mr. LAIRD. So you are trying to stimulate projects in those areas.

Mr. IANNI. That is right.

Mr. LAIRD. That is all program means? I should think if you were out stimulating you would be interested in financing them at a higher priority than the others.

Mr. IANNI. Not necessarily. We support programs on the excellence of the proposal whether it is in a programed area or not.

NONPARTICIPATION OF TEACHERS TRAINING INSTITUTIONS

Mr. LAIRD. You were talking about these centers you established.

Mr. IANNI. Yes.

Mr. LAIRD. I noticed in going over it there has not been one that has been approved for any of the teachers' training institutions other than those connected with a university. Why is that? Haven't they made any applications?

Mr. IANNI. Well, let me say in terms of the centers which are established these are in all cases joint applications from the school of education and from—

Mr. LAIRD. I understand that. You do not get my point.

Mr. IANNI. Yes.

Mr. LAIRD. I am talking about teachers' training institutions that are primarily set up for that purpose.

Many of these teachers' training institutions are doing work in this area and have already established centers along this line?

Mr. IANNI. Yes, sir.

Mr. LAIRD. Now my question is: Haven't they made any applications for this program?

Mr. IANNI. The only application from such an institution is from Chicago Teachers College and that was not supported because it was not considered to be of the same quality level as the others.

Mr. LAIRD. I know many States have the same setup as we have in Wisconsin where a major portion of our teachers are coming from our State colleges which used to be teachers' colleges and now give a B.S. and B.A. degree. And it just seems strange to me that those areas that are producing the most teachers are not interested in getting into this program. You have only had one application?

Mr. IANNI. The only one I can recall is from Chicago Teachers College.

Mr. KEPPEL. May I comment on it, Mr. Laird? There has been, as you know, a big shift in the United States from, as you pointed out, teacher training colleges with that purpose only, into those institutions with other purposes generally of other kinds of training programs, liberal arts, business, and so forth. So I think I am right in saying that the number of institutions devoted solely to the preparation of teachers is now less than 100 in the United States.

Mr. LAIRD. That is true but still you are getting a great many teachers from these colleges. They concentrate on teaching because they are geared to this particular kind of activity.

Mr. KEPPEL. I agree with that, sir.

Mr. LAIRD. All have their own training schools in connection with them and—

Mr. KEPPEL. I do agree with that; they are expanding many of them into universities.

Mr. LAIRD. My problem is this: I have run into difficulty with some of my State college people in Wisconsin over the fact that the school of education at the University of Wisconsin and generally, the university schools throughout the country, are the only ones that are a part of this particular program.

Now I think if we are going to get into a programed area maybe we ought to get them interested in this program a little bit.

ENCOURAGING TEACHER'S COLLEGES TO PARTICIPATE

Mr. KEPPEL. Yes; I see your point and I think this is going to happen in part.

As the institutions develop more scholars on their staff who are interested in and qualified to do the research and would, therefore, apply this is likely to be encouraged. By the way, in the proposals made for the 1964 budget, there is a category in the programed area called teacher education. I think the trend is also likely to happen as a result of the development of the proposed research and development centers, which would reach out beyond the university—a particular university, like, say, Wisconsin and Minnesota—and into the other institutions which are primarily for the training of teachers.

I will confess that idea was in my mind, and I had a very strong interest in the research and development centers because of their influence and encouragement of research in institutions which, up to now, have not done much on this. This, I think, is the primary reason why we have not had applications, because the faculty of those institutions which are heavily engaged in training teachers, have not been in the practice of conducting this kind of research.

I would be personally very disappointed if in the course of the next 4 or 5 years, we did not have a significant increase in the number of applications that came in from institutions of the sort that you are describing. I know many of these in New England, and I think we have to get the research potential into these institutions.

Mr. LAIRD. You answered my question.

Mr. IANNI. There is one other point which I think is important here. We have had the same experience as NIH in trying to stimulate more colleges, more universities, teacher-training institutions, to conduct research.

What tends to happen is that as soon as you have identified an individual at a small institution, or a teachers college, who is competent to do research, he is almost immediately taken away by one of the larger universities, who have identified him as a result of the contract or grant.

So I think Mr. Keppel's response was quite accurate. We have to build up the competence in the institution itself.

Mr. LAIRD. Well, I just wanted to call your attention to it. It didn't seem to me that these schools and institutions are taking part in this program. This program, of course, didn't really get going much until 1957.

Mr. IANNI. 1956-57.

Mr. KEPPEL. Mr. Chairman, if I may add to this, I think one of the tests of two areas that we are in, the proposals to encourage work in teacher education and research development centers, would be whether

that happened—I would like to come back in, let's say, 3 or 4 years and just show a chart as to the nature of applications. I won't guarantee they will be proof, but it is the nature of the applications in these institutions. I think if this doesn't happen, those who are working with the teachers' program and the research and development centers are not accomplishing what their purpose was set out to be.

Mr. KELLY. Don't you think also, Commissioner, that the program has been heavily involved in basic research up to now, and as you move toward the demonstration aspects of it—

Mr. KEPPEL. That is what I hope.

Mr. KELLY. That you are going to find a much heavier involvement on the part of the teacher colleges.

Mr. KEPPEL. Mr. Kelly is spelling out what I meant.

OPTIMUM 1964 BUDGET

Mr. FOGARTY. All right, Doctor. Your appropriation for 1963 is \$6,985,000; your request for 1964 is \$17 million.

There are many people, like you used to be, that think this ought to be about \$25 million instead of 17 million. I had a letter from someone in Wisconsin—

Mr. KEPPEL. Dean Stiles, perhaps?

Mr. FOGARTY. No; although I am sure he thinks the same way.

Mr. IANNI. Mr. Totaro?

Mr. FOGARTY. Yes; suggesting that the committee raise this to \$25 million.

Do you think that if the committee did raise it to \$25 million that you could spend it on worthwhile projects; that there would be enough applications, worthwhile applications, to spend \$25 million? They are going to come in and testify.

Mr. KEPPEL. I think the answer to that, in my judgment, from a very brief period here, is, I think, probably yes; that there would be applications of the quality that would justify expenditures. Perhaps you can consider it the effect on a man who enters the Government wanting to be absolutely sure of his ground before a committee like yours. I want to be able to stand firmly and just say without any qualifications that we can get what we want in the way of quality and that I am just completely confident on the \$17 million.

When I reviewed, Mr. Chairman, the budget that came to me as it was on its way through the Department and the Bureau of the Budget—

Mr. FOGARTY. What was in that?

Mr. KEPPEL. I think it was approximately \$20 million.

There were certain projects proposed, about which I had not had personal experience, and I was therefore a little cautious.

One of them had to do with the establishment of demonstration schools under State or university supervision. Now, heaven knows, I recognize that is something that, in the fullness of time, we will come to, but it seemed to me wiser not to support that this year until we got the research and demonstration centers well underway, which were themselves in direct contact with current operating public and private school systems.

This seems to me a step that ought to be taken before we did that, and that took off a couple of million from the amount.

Mr. IANNI. Yes, sir.

Mr. KEPPEL. There were one or two other items of that sort which perhaps in a conservative frame of mind, I thought would be wiser to propose the following year. But I think I would like to go back to my first answer to your question, Mr. Chairman. I would regard it as no serious risk to have a \$25 million allocation in the sense we would get a lot of projects that don't deserve the support of this program. I think we would.

LETTER FROM BOARD OF COOPERATIVE EDUCATIONAL SERVICES,
WESTCHESTER COUNTY

Mr. FOGARTY. I have a good letter regarding this program from the Board of Cooperative Educational Services, Westchester County, Bedford Hills, N.Y., dated January 11, 1963.

It is signed by C. C. Dunsmoor, educational director, and Benjamin Cohn, principal investigator, Group Counseling Project. They are enthusiastic about this program.

We will put that in the record at this point.

(The letter follows:)

BOARD OF COOPERATIVE EDUCATIONAL SERVICES,
FIRST SUPERVISORY DISTRICT, WESTCHESTER COUNTY,
Bedford Hills, N.Y., January 11, 1963.

Representative JOHN E. FOGARTY,
*House Office Building,
Washington, D.C.*

MY DEAR MR. FOGARTY: We would like to take this opportunity to register our strong endorsement for the proposed budget of the Cooperative Research Branch, U.S. Office of Education, Department of Health, Education, and Welfare. We feel that we have a firsthand knowledge of the tremendous value of the Research Branch's program at the grassroots level in our public schools, since we have been one of the fortunate recipients of funds from this agency to support a project to demonstrate the effects of group counseling on underachieving junior high school boys with acting-out behavior.

Group counseling to help students make more effective and efficient use of their potential abilities is a technique which has been relatively neglected and underdeveloped, but it is now proving its value and should be more widely used in the future. Here in northern Westchester County in recent months there has been a growth of interest in group counseling as a result of our project. Where group counseling was not attempted at all on a formal basis 3 years ago, at least 6 of the 12 school systems in our district are now using the technique. Moreover, from outside our immediate area we have received many requests for information about the project. We have sent copies of our reports to various places throughout the country, have spoken to 15 different professional groups, and have so far published three articles for national professional journals. We have been experiencing a great deal of satisfaction in knowing that this technique is being widely considered, not merely as a means of seeing more students in less time, but as a technique that has value of its own to help these students better adjust to their school environment and to develop a better attitude toward themselves and their future. Needless to say, our society certainly stands to benefit.

In the course of our project, we have been involved with students, parents, teachers, administrators, and counselors. As a result of the project, we feel that 8 of us on the staff have benefited through the opportunity for enhancing our own professional attitudes, 6 administrators in the schools have profited from the experience; 35 teachers have gained insight into the feelings and experiences underlying the behavior of their pupils; 96 students have directly benefited (and probably many more have benefited indirectly through growth on the part of their teachers); and their parents have gained in understanding and ability to handle their sons. Without the support of the Cooperative Research Branch, we would not have been able to provide such wide-spreading services.

We strongly support and recommend, therefore, that the budget for the Cooperative Research Branch be given full consideration and acceptance.

Very truly yours,

C. C. DUNSMOOR, Ed. D.,
Director.

BENJAMIN COHN, Ed. D.,
*Principal Investigator,
Group Counseling Project.*

SPECIAL PROJECTS

MR. FOGARTY. Now, there are seven categories you are asking funds to finance in the programed area. Would you describe each and tell us why you think it needs this special direction?

MR. KEPPEL. May I ask Mr. Ianni to do that, if I may interrupt him from time to time, because I have special enthusiasms.

MR. FOGARTY. Surely.

MR. IANNI. Our special requests this year, are for continuation in the area of English, and the project on talent; and the project on social studies which was just started this year.

Our experience with social studies has been very similar to what occurred in the field of English and in talent.

SOCIAL STUDIES

Within the first 3 months following the announcement of the project on social studies, we received 700 requests for information. We have funds this year for the establishment of curriculum study centers in the social studies. Here, again, our experience with applications has been just about the same.

We have received 37 applications for an amount of money which would have allowed us to support 2 or 3 possible centers. As a result, we have been able to choose only three centers for this year. We have pending projects in nine other States which could be supported under project social studies. What we would like to do next year, in the social studies, is to have additional curriculum projects and at the same time enter into a demonstration phase of the material as it becomes available, because our experience has been that just conducting the research and developing the materials does not necessarily get them introduced into the schools. People have to be taught how to use them; they are new materials; people do not have experience with them; so we would like to go into the area of demonstration here, also.

ARTS

The new projects we would like to add are in the area of the arts. We have had, frankly, not as many quality applications in the area of the arts as we would like to have had. They tend to fall more in music than in art, and what we would like to do is to build up the research competence in this area, because art is such an important area for children as they grow mature.

We already have pending applications in this area, before we have even announced that we are going to be doing anything about the area.

Mr. FOGARTY. From time to time, I have had letters from college presidents, and I see statements in the press, regarding our getting a little out of balance.

Mr. IANNI. That is right, sir.

Mr. FOGARTY. Because of emphasizing teaching in foreign languages, and mathematics, and science; and the arts and humanities were not keeping pace.

Well, my only answer to that would be to make the arts and humanities keep pace with the others and not bring the others down.

Mr. IANNI. That is right.

Mr. FOGARTY. When we are concerned about arts, we are talking about music, too.

Mr. IANNI. There are, I think, two primary problems.

One is that we don't know how best to teach the materials in arts to the children. Now, what we have tended to do in the past is to concentrate on the specially talented individuals by sending them to conservatories, but the artistic talent found in the general population is quite high, and we tended in the past to concentrate on teaching just the appreciation of the arts. Now, we have some results from projects in Texas, Mississippi, and Wisconsin which indicate that very young children have considerable talent for actually performing in the arts, as well as just appreciating it. We have now an application from Bennington College to develop a curriculum for teaching the arts as a performing system as well as a sheer appreciation system.

I think the other large problem has been that we have not conducted enough research, on just how children do best learn the arts, and this is where we would like to place a considerable amount of emphasis. So that our request this year is for, really, three different areas.

First, to bring together—

Mr. FOGARTY. This then would help to overcome this so-called imbalance, would it?

Mr. IANNI. That is right, sir.

What we would like to do is to stimulate more research, and also develop more curriculum projects in this area, at the present time.

The other area we would like to move into this year is teacher education. One of the great problems with developing new curriculum materials is that quite often teachers are not trained in how to use these materials.

We have spent more time and much more money developing new materials for the schools than we have in developing new materials for training teachers, and I think Commissioner Keppel can probably speak to this far better than I, since he is directly involved in this area.

Mr. FOGARTY. Go ahead.

Mr. KEPPEL. If I may, I would like to go back to the question of the arts, Mr. Chairman. In my personal life, I started as a sculptor, and I have not lost my interest in this or the related fields, and I don't propose to.

I agree that the imbalance exists. I think Mr. Ianni is right in saying that it is an unresearched area as far as teaching in the elementary and secondary schools is concerned.

We are simply not putting the kind of professional energy into this area now that we must put.

TRAINING TEACHERS TO USE NEW MATERIALS

I think an important first step is the kind of research and development that he is speaking to, but there are other steps that, in my judgment, should be and I hope will be taken. I refer to the question of new materials for use by the children, which are being developed by the National Science Foundation in mathematics and science as well as by the Office of Education in English, foreign languages, arts, and the like, and I think one point was admirably demonstrated by the physics program under the direction of Professor Zacharias of MIT supported by the National Science Foundation. This was that the training of the teachers must accompany the introduction of the materials into the schools because, particularly in physics, the almost complete intellectual revolution that took place between 1940—let us say 1935 and 1950—required a total retraining of the teachers, and I don't think we should ever lose sight of the importance of that lesson in the other fields.

This, I think, is what Mr. Ianni is saying, and I have had a good deal of experience in the problems of this kind of retraining of teachers. It has to be done by an entire university staff, to get the full benefits out of it. It requires some changes in the habits of our universities, which I hope are going to take place.

MR. FOGARTY. Is that the program I read about some time ago? Was it physics or biology in which we had a complete revolution?

MR. IANNI. Was this in Time magazine, sir?

MR. KEPPEL. Physics is the most dramatic example, but we are right now in the middle of it in biology, Mr. Chairman.

PHYSICS PROJECT

MR. FOGARTY. Tell us how it happened in physics.

MR. KEPPEL. Well, in physics, the story I think should probably go back to about 1954, when, particularly under the initiative of Prof. Jerrold Zacharias of MIT, a group of very distinguished physicists came together, partly worried about the teaching of physics in the colleges, because it was out of date in some of their colleges, but also, I am glad to say, equally worried about the teaching of physics in the high school, and these men, who ordinarily spend their time in pure research, decided that they would devote their personal attention to the rewriting of the course—of a 1-year course of physics.

This was supported both by private and public funds in those days. The National Science Foundation eventually invested over \$5 million in the development of a course which not only reversed the order in which the materials were presented to high school students, but also analyzed the techniques, the technology of presenting it to them so that there were changes not only in the content but also radical changes in the kind of laboratory materials that were provided for the young people to work.

Professor Zacharias, in my judgment, is a very remarkable man and particularly remarkable in his capacity to take a very complicated idea and demonstrate it in a laboratory setting with marked simplicity and pretty cheap equipment. He didn't get all the fancy lab stuff that would not possibly be available in 25,000 high schools.

This took, really, $4\frac{1}{2}$ to 5 years, to get it worked out, because it was a complicated idea. It has now been published, both in the sense of the texts and in the sense of actual laboratory materials, and is now—am I right—in about 3,000 high schools?

MR. IANNI. Yes; 3,000 high schools.

MR. KEPPEL. Throughout the country; that is pretty fast, when you think about the diversity involved.

At the same time, they trained the teachers in institutes all over the country, in the materials, because the teachers themselves had to learn the new physics. So there is a mixture of learning the new physics and practicing with the material.

It is a remarkable story, as I see it, of what is needed in a dramatic area. It is now being followed in the National Science Foundation program in mathematics, in biology, and in chemistry.

MR. FOGARTY. What would happen if this study had not been carried out? This is really rather dramatic, isn't it?

MR. KEPPEL. I think it is a dramatic story, and I will be glad to comment on that.

What would have happened, unless this course had been changed in a lot of the American high schools, the American colleges would have had to start all over again, in the freshman year, as if the young man had never learned any physics what ever in the high school. In point of fact, that is happening in a great many colleges now, because not all the high schools are using it.

MR. FOGARTY. That is worse than starting from scratch, isn't it?

MR. KEPPEL. It is worse, because, as Professor Zacharias put it to me, they come in with a lot of ideas and notions that you have to get rid of before you start again. It is almost like having to wipe the blackboard clean, and this leaves a certain amount of dust on it, you know.

MR. FOGARTY. Was this controversial at the time, do you know?

MR. KEPPEL. It was in a sense.

MR. FOGARTY. When it was being worked out?

Most of these changes are controversial at the time; then loses its controversy when it proves itself.

MR. KEPPEL. Let me put it this way, Mr. Chairman.

I don't think there was any controversy among the physicists, the men at the forefront of knowledge in this field. They were confident of the new knowledge; they felt the desperate need of training.

There was controversy with the teachers, who don't find it any easier than I do, at my age, to learn new things; so there was a certain amount of resistance among the teachers.

MR. FOGARTY. There shouldn't be any more.

MR. KEPPEL. No. I think it is accepted now.

MR. LESINSKI. Mr. Chairman?

MR. FOGARTY. Yes.

MR. LESINSKI. Are we going to find, my sons and myself, in biology, that the terms are all changed? Are we going to find ourselves all wrong in what we learned?

MR. KEPPEL. I hope they leave the same words, but the inside is going to look different.

PROJECT ON RETRAINING UNEMPLOYED WORKERS

Mr. IANNI. In terms of getting help for training individuals who require specialized training and new training, in many fields, we have a project at the present time at the Virginia State College, which is retraining unemployed workers for new skills and at the same time, raising their general educational levels, also, because the original finding of this study was that the problem is not so much that the skills have changed, but that the individual doesn't have the basic general educational background to meet the new requirements of the technology.

Now, we have seven applications since then for similar types of programs. These are demonstration programs, to actively demonstrate how these individuals can be retrained and I am sure that this would be a possible project under this program.

Mr. FOGARTY. We have finished that example about physics, and you have said that if this had not happened, the colleges would be finding it very difficult to teach physics today because of developments in atomic energy and other fields.

Is there anything else you want to add?

Mr. KEPPEL. Just this, Mr. Chairman.

I think the same point can properly be made in the arts, history, and so forth. The only difference is it is somehow less dramatic.

Mr. FOGARTY. It is going on in science?

Mr. KEPPEL. Biology, chemistry, physics, and mathematics are quite substantial programs.

Also, as we described, in English, moving into the social studies and the arts, in the broad sense of art, music and the like, all of which are proposed as the first steps for next year.

I think it is only proper to say that these do not carry the drama today, that physics does, for the obvious reasons of atomic physics. But in the sense of raising quality and in the sense of the problems faced by the colleges, these subjects present the same problem.

For example, sir, many colleges, we estimate, expend about \$10 million in the freshman year giving work in English composition and the like, for which there is no real need. This can be done in the high schools. It ought to be done in the high schools. There is no need of that expenditure in the colleges.

If the project in English succeeds, as we have some reason to hope it will, that expenditure by the colleges ought to disappear. There is just no justification for it.

Mr. HUGHES. I think it would be well to mention, too, the NDEA program in foreign language instruction, which is quite comparable to the course content programs of the Science Foundation.

Mr. FOGARTY. Yes.

Mr. HUGHES. The special thrust of that title, to update and improve the instructional materials in foreign language instruction, is responsible for the fact that today, the new audiolingual materials being produced are in use now in some 20 percent of the high school classes of modern foreign languages.

Mr. FOGARTY. All right. Have you finished?

Mr. IANNI. No, sir.

Mr. FOGARTY. Please proceed.

Mr. IANNI. There are two other new areas: One is in the area of learning disorders. This would give us the ability to capitalize on all the basic research which we have completed in mental retardation, dealing with the learning problems of deficient children, children with speech handicaps, and blind children.

As an example in the area of teaching the blind, Commissioner Keppel mentioned the project we have had on a long-term basis at the University of Louisville. Here, what they have been able to do is, through a new system of teaching the blind, called compressed speech, to dramatically upgrade the rate at which blind children can learn.

Most blind children today learn by the use of braille, which is really a distressingly slow system. The blind children, with average intelligence, can acquire information through braille at about 60 words per minute. The average child who can see, can read at about 250 words per minute.

As a result of this project, we have been able to train these children to acquire information through compressed speech at 240 words per minute, or 4 times the regular rate, and I just recently spoke to the—

Mr. FOGARTY. Can you train all the people—adults as well as children?

Mr. IANNI. Yes. In adults as well.

I was going to mention I had just spoken recently to the project director. He says he is reasonably certain that, as a result of a new contract we have with him, we will be able to teach blind high school children who have college ability to acquire information at 800—between 700 and 800 words per minute, which is 3 times as fast as children who can read now acquire information, so it does have applicability for older children and for adults, as well.

However, braille still continues as the primary system used in teaching the blind. What we would like to do in the area of learning disorders is to take all of the basic research information which we have and, on the basis of this research, develop new curriculum materials which are both remedial programs for mentally retarded children and the blind and the deaf, and also to develop regular course content programs.

Mr. FOGARTY. How would this affect the American Printing House for the Blind?

Mr. IANNI. I think that the American Printing House for the Blind is also looking into this compressed speech. This is something they are aware of and are using at the present time.

Mr. HUGHES. As a matter of fact, this particular project in Louisville was done in collaboration with the American Printing House for the Blind.

Mr. IANNI. We have another one at Gallaudet College, for example, teaching deaf children to learn language through the use of electric typewriters, which has worked very well, and has reduced dramatically the time that it takes to teach them to learn to read; and here again, if we can develop curriculum materials based on this basic research, then I think we can make a real thrust forward in this area.

VALUE OF RESEARCH AND DEVELOPMENT CENTERS

We would also like to establish a series of research and development centers which would involve the cooperation of colleges and universities, State education agencies, and local school systems in working continuously on particular problem areas in education. We feel this is particularly important because our research has indicated that the typical timelag between when research becomes available, and when it is finally implemented in the school, approaches about 50 years in education, and if they are working jointly on these research programs then the State education agencies and the local school systems are present when the research is being done, and the applications of the research can be developed at the same time that the research is being conducted.

Mr. KEPPEL. If I may give an example to that, Mr. Chairman. In a small way, such a research and development center has been set up around the Boston area, and to take the example of those lay readers, the part-time helpers for English teachers in composition, and the like, that was started in a unit which had three public school systems: a university and a kind of informal relation with the State department of education. That, having been tested in one of those, was then spread to the other two, and is now spread, for example, to Quincy and other places around there.

This process didn't take 50 years; this process took 2 years after the statistics were in, and this was because the people knew about it.

It was a natural thing for the superintendent of schools of Quincy to come over, and we, as I recall it, under a cooperative research program, spread it to Quincy and then we were off.

Now, it is in 100 schools around the country. It is that kind of speedup that seems to me so essential in these centers which is very different from just writing an article, putting it into a professional journal, and hoping some fellow will read it somewhere. I don't mean that that is not necessary. I only mean that that is not enough.

Mr. FOGARTY. We found that problem in the field of medical research, also.

RESEARCH CENTER FOR LEARNING DISORDERS

Now, you mention a Research Program Center for Learning Disorders. You spoke briefly about that in your justification.

Mr. IANNI. Yes, sir.

Mr. FOGARTY. Do you want to expand on that?

Mr. IANNI. Yes. One of the problems in the learning disorders is that there is no single center where the information which is currently available is brought together in a form where it can be disseminated to people who can use it. We have had several inquiries in this area already. For example, we have a standing inquiry from Syracuse University, where they have a considerable competence in the area of mental retardation, to establish such a center, which, again, would work closely with schools in the development of information.

And we have an inquiry from Rhode Island, for example, from the Cranston School people, who would like to establish a center of this sort, also dealing with new ways of training the mentally retarded. So that there is a considerable interest in the establishment of such a program, almost immediately, if we are able to receive the funds.

Mr. FOGARTY. How much are you asking for.

Mr. IANNI. We are asking for \$500,000 for the first year of operation.

Mr. FOGARTY. That would establish one?

Mr. IANNI. That would establish one center.

APPLICATIONS RECEIVED AND APPROVED

Mr. FOGARTY. I see. Tell us how many applications you expect to receive and how many you will approve this year.

Mr. IANNI. At the present time, we have received, in 1963, so far, approximately—

Mr. FOGARTY. I see you have a chart setting forth this information. Put the chart in the record.

Mr. IANNI. Yes, sir.

(The chart follows:)

COOPERATIVE RESEARCH PROGRAM

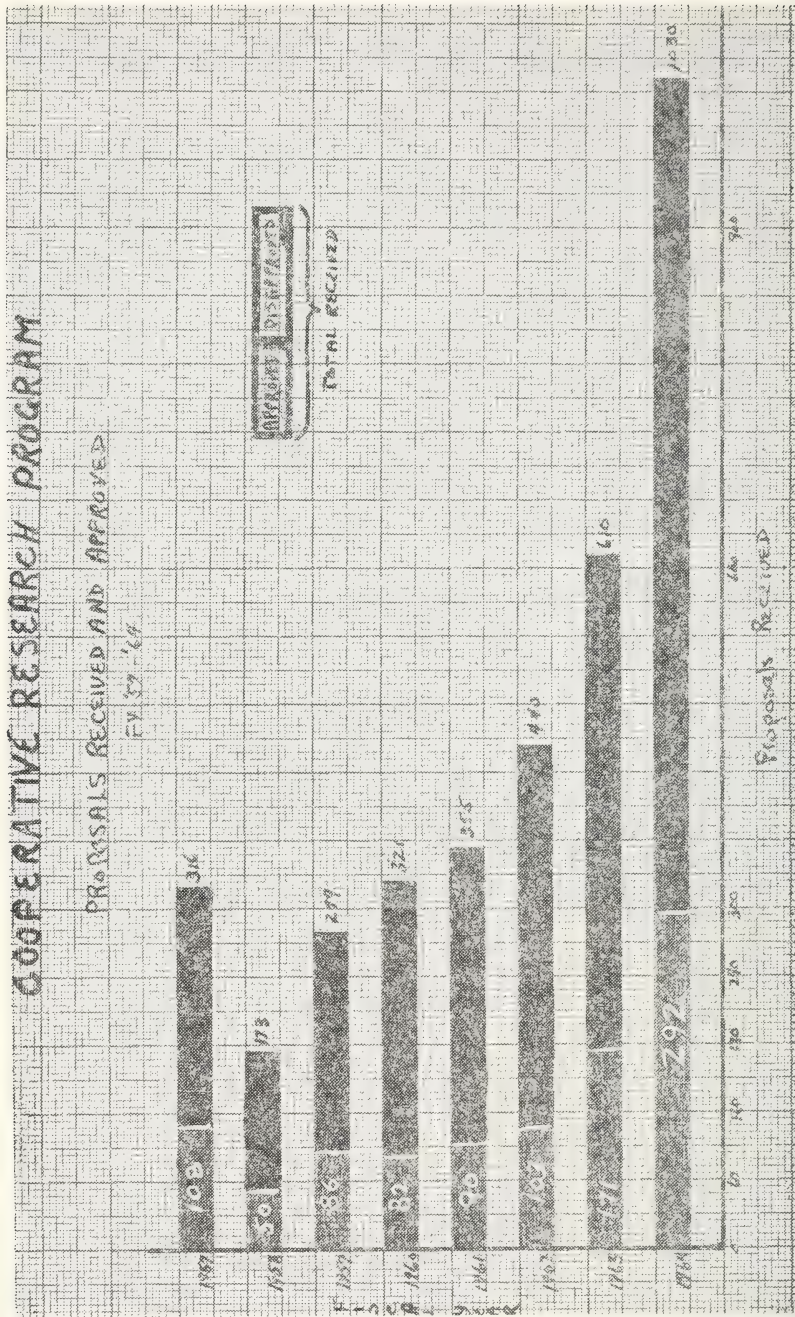
PROPOSALS RECEIVED AND APPROVED

FY 57-'60

APPROVED & DISAPPROVED

TOTAL ESCAPED

Proposals Received



APPLICATIONS INCREASE

Mr. IANNI. We have received approximately 600 proposals for research so far. We have one additional meeting of our Research Advisory Council which will choose the projects. Our estimate is based upon the funds available for this year. We will probably be able to finance 171 basic and applied research projects. Based on this, we assume that given the usual rate of approval, we would probably have somewhere between 50 and 60 projects more than we would be able to fund.

Mr. FOGARTY. Approvable projects.

Mr. IANNI. Approvable projects, yes, sir.

The rate of approval is going up. I think this is partially—I think it is significantly the result of our program of research planning activities.

Mr. FOGARTY. I would think, as you get results from these research activities, that the applications are going to keep going higher and higher and higher.

Mr. IANNI. We have received more applications for this last Advisory Committee meeting than we have received all of last year and we have reduced the number of meetings from three a year to two; so we expected to have a decrease, rather than an increase, but this simply hasn't been true. We expect next year, we will receive well over 1,000 applications. This is a projection of a normal rate of growth.

APPROVAL RATE

Mr. FOGARTY. From your experience, about how many would be approved?

Mr. IANNI. We assume that about 292 would be approved.

Mr. FOGARTY. Do you have money enough for the 292?

Mr. IANNI. Well, let me say that the 292 represents a compromise between what we think will probably be approved, and what we would probably have money for, if we received the \$17 million.

Mr. FOGARTY. But it is possible to have 500 approved, and only money enough to pay for 292.

Mr. IANNI. My personal assumption is that we will probably have as many as 400 approvable projects, but you see, sir, you must remember that the Research Advisory Council operates with the knowledge of the limitation of funds. Therefore, their standards tend to be much higher than other institutions.

For example, in the field of anthropology, we approve proposals at about 28 percent. NIH, in the same field, is operating at about 70 to 75 percent, in the same field of activity.

Mr. FOGARTY. I don't like to get into comparisons between agencies because there are so many variables.

AMOUNT BUDGETED FOR OVERHEAD EXPENSES IN EXCESS OF 20 PERCENT

How much is budgeted for overhead expenses, in excess of 20 percent?

Mr. KELLY. \$246,000.

Mr. PATEROS. In excess of 20 percent. That is right.

Mr. FOGARTY. 25 percent.

Mr. KELLY. The proposal before the Congress—and I think it is consistent in all appropriation bills, is to remove the limitation entirely but the administration has agreed that during fiscal 1964, it will apply, not to exceed 25 percent—not to exceed actual cost.

Mr. FOGARTY. Will you put a table in the record showing by appropriation, how much is in your budget for paying over 20 percent?

Mr. KELLY. Yes, sir.

(The information follows:)

Additional amounts required to pay 25 percent indirect costs on projects awarded on or after Jan. 1, 1964

Office of Education:	
Cooperative research.....	\$246, 000
Vocational Rehabilitation Administration:	
Research and training.....	50, 000
Public Health Service:	
National Institutes of Health:	
General research and services.....	805, 000
National Cancer Institute.....	774, 000
Mental health activities.....	808, 000
National Heart Institute.....	1, 220, 000
National Institute of Dental Research.....	120, 000
Arthritis and metabolic disease activities.....	1, 038, 000
Allergy and infectious disease activities.....	503, 000
Neurology and blindness activities.....	732, 000
Subtotal, National Institutes of Health.....	6, 000, 000
Bureau of State Services:	
Accident prevention.....	29, 000
Chronic diseases and health of the aged.....	32, 000
Communicable disease activities.....	24, 000
Community health practice and research.....	40, 000
Dental services and resources.....	9, 000
Nursing services and resources.....	28, 000
Environmental health sciences.....	22, 000
Air pollution.....	44, 000
Milk, food, interstate, and community sanitation.....	70, 000
Occupational health.....	31, 000
Radiological health.....	31, 000
Water supply and water pollution control.....	59, 000
Subtotal, Bureau of State Services.....	419, 000
Total, Public Health Service.....	6, 419, 000
Welfare Administration/Social Security Administration:	
Cooperative research or demonstration projects in social security.....	65, 000
Research or demonstration projects in child welfare.....	57, 000
Total, Welfare Administration/Social Security Administration.....	122, 000
Total, Department of Health, Education, and Welfare.....	6, 837, 000

EDUCATIONAL RESEARCH (SPECIAL FOREIGN CURRENCY PROGRAM)

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
21 Travel and transportation of persons.....	-----	46	100
25 Other services.....	-----	367	700
Total obligations.....	-----	413	800

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Research in foreign education (dollar equivalents) (costs—obligations).....	-----	413	800
Financing:			
Unobligated balance brought forward (—).....	—7	—13	-----
Recovery of prior year obligations (—).....	—6	-----	-----
Unobligated balance carried forward.....	13	-----	-----
New obligational authority (appropriation).....	-----	400	800

PREPARED STATEMENT

Mr. FOGARTY. We will put your statement on the foreign currency program in the record, Doctor.

(The statement referred to follows:)

STATEMENT BY THE COMMISSIONER-DESIGNATE OF EDUCATION ON EDUCATIONAL RESEARCH (SPECIAL FOREIGN CURRENCY PROGRAM)

The Office of Education utilizes foreign currencies under the provisions of Public Law 480 to finance research of significance to education through its cooperative research program and activities related to its program of comparative studies of education in foreign countries.

The cooperative research program develops new knowledge about major problems in education or devises new application of existing knowledge in solving such problems. Research in foreign countries will provide information to be compared with the findings in the United States, thus helping to develop a more comprehensive knowledge of the total educational process as it operates in all countries.

The programs for fiscal year 1963 have met with enthusiastic approval by both American research scholars and their counterparts in the countries involved. In India, for example, a committee composed jointly of American research scholars and Indian educational researchers from both the Indian Government and the major universities in India have chosen a series of projects in the following areas.

1. The relationship between child growth and development and education to ascertain whether different child rearing techniques affect the principles of education.

2. The cross-cultural comparison of the teaching of reading and writing will form an immensely valuable basis for solving some domestic problems.

3. The adaptation of subject matter to groups of differing ability such as the mentally retarded, slow learners, average students and the gifted.

4. The determination of the factors related to dropouts which are common to the two countries.

An appropriation of \$800,000 is requested to carry on this program in fiscal year 1964, an increase of \$400,000 over fiscal year 1963. Studies will be continued in the countries of India, Israel, Poland, Burma, Pakistan, and Indonesia, and a program will be started in the United Arab Republic (Egypt).

CURRENT PROJECTS

Mr. FOGARTY. The appropriation for 1963 is \$400,000 and the request for 1964 is \$800,000. What projects do you actually have in operation now?

Mr. FLYNT. We have had funds released, Mr. Chairman, for India. They were released early in January. We have established there, through visitation to the country, a research committee, under the auspices of the Ministry of Education. We expect to receive those proposals by the end of March, and to submit them to our committee.

They are in the areas indicated in the budget presentation and we think this is going to work out quite effectively.

Universities in India have been circulated. They have research competence to work in the area, on the problem of juvenile delinquency, identification of talent, and reading improvement.

Mr. FOGARTY. How much money?

Mr. FLYNT. Approximately 130,000 in rupees—whatever the rupee exchange is. Four-seventy.

Mr. FOGARTY. Is that the only project you have overseas?

PROBLEMS REGARDING RELEASE OF FUNDS

Mr. FLYNT. We are just expecting the money to be released in Israel, momentarily.

Mrs. DANE. Funds for Israel have been released.

Mr. FOGARTY. What about Poland?

Mr. FLYNT. Poland funds have not been released.

Mr. FOGARTY. Poland funds have not been released?

Mr. FLYNT. No, sir. The funds have to be released by the Ambassador of the country.

Mr. FOGARTY. By our American Ambassador?

Mr. FLYNT. Yes, sir.

Mr. FOGARTY. What is the reason for holding it up?

Mr. FLYNT. Well, in the case of Israel, I think it is availability of funds. With regard to Poland, I am not—

Dr. CALDWELL. There was not enough money at the time.

Mr. FOGARTY. These are surplus funds; at least we were told that when the request for appropriations was made.

Dr. CALDWELL. They are counterpart funds, which have to be declared in excess of the needs of the Department of State, and they will set aside enough to meet all of their anticipated needs, and it is only when you have a surplus above that, that we can get at it.

Now, in Poland, however, the office does have a small project which we are working through the National Science Foundation, which we got—the funds were made available.

Mr. FOGARTY. Well, I thought that was determined before you asked for the funds.

Dr. CALDWELL. No, sir.

Mr. FLYNT. It is appropriated by the Congress but they must be in excess. There is no problem in India because there is almost \$150 million worth of rupees accumulated.

The sums in Israel and Poland are relatively small and at times there are priority usages, such as our own Public Health Service and vocational rehabilitation. That has to be approved and appropriated.

Mr. FOGARTY. We have vocational rehabilitation research programs in Israel, I know, and Poland, I think.

Dr. CALDWELL. They got into Poland, Mr. Chairman, earlier, while there still was plenty of money.

As a matter of fact, we understand that the money will be available there, too.

Mr. FOGARTY. In Poland?

Mr. PATEROS. Well, we actually had a project in Poland which started in 1961, because of the availability of funds at that time. But the picture on availability of these funds changes from time to time. We are supplied with a list of what you might call eligible nations, at the time we prepare our budget justifications and plan our programs, but circumstances sometimes change, and the funds are held up for varying periods of time. At this point, though, the funds for each of the nations in which we are interested in conducting these research programs have been released, the last coming through just recently.

Mr. FLYNT. There is no shortage in India.

Mr. FOGARTY. We are talking about 1963 now.

Mr. HUGHES. Yes, that is right, sir.

(The following was subsequently submitted to the committee:)

STATUS OF PUBLIC LAW 480 FUNDS

EDUCATIONAL RESEARCH (SPECIAL FOREIGN CURRENCY PROGRAM)

Public Law 480 funds have been made available to the Office of Education by the Treasury Department in fiscal year 1963 as follows:

Israel	\$193, 000
India	113, 000
Poland	50, 900
Indonesia	5, 700
Pakistan	13, 000
Yugoslavia	18, 700

Contracts have been negotiated for projects in Poland and Indonesia and negotiations are underway for projects in the remaining countries.

Mr. IANNI. May I say one word on that, as far as cooperative research agreements are concerned?

We have already—the program in India is well established. We are quite confident of the success there.

In Poland and Israel, we have initial contacts with researchers in those countries, and are quite confident of probable success there. We have arranged for the first meeting in March, to consider the proposals in Poland at that time, and probably as early as April we will be able to get started in Israel.

In both of these countries, there is a considerable competence in special areas. For example, in Israel, they have been conducting a considerable amount of research on problems of slow learners and also on problems of gifted children, so the research competence there is, I would say, almost equal to that in the United States.

Mr. FOGARTY. I know in the medical field—

Mr. IANNI. And what this will give us, in addition to the actual research conducted there, is a basis for comparison with some of our problems here. For example, in each of these countries, we will probably have projects in the area of reading problems.

Now, one of the things we don't know about reading problems at the present time is whether the problems we have in the United States are peculiarly associated with our school system here. By comparing our research with theirs, we can come up with some answers.

READING PROBLEM

Mr. FOGARTY. Some people say that there is a real problem in reading. Once in a while I hear that as a general statement. What is the answer to it.

Mr. IANNI. Well, the answer is that in New York City they have determined that the average child is 2 years retarded in terms of the reading skills he could have, if he had a proper reading program. At the same time, those children who create the most difficulties in the schools, in terms of delinquency and vandalism tend to be retarded as much as 4 and 5 years, and the great problem is that unless one—

Mr. FOGARTY. What do you mean by retarded.

Mr. IANNI. Their level of reading comprehension is about 4 or 5 years behind what it should be based upon what we know about how they can learn, in reading.

Mr. FOGARTY. I did not want it mixed up with mental retardation.

Mr. IANNI. Yes, sir.

It is not the same problem at all. As a matter of fact, we have a research project in Boston now, where they are teaching mentally retarded children to read as early as 4 and 5 years of age, again through the use of this electrical typewriter system which has been developed; but I think an additional problem there is that some of our research has also indicated that the great problem with reading is that if you take a typical ninth grade student, the child who has no reading problems can deal with the regular ninth grade work on a much higher level than the child with reading problems, because he not only has to learn the new materials; he has problems even reading about it; and consequently, it gets more and more serious as you progress from the 9th, 10th, 11th, and 12th grades.

DROPOUT PROBLEM

Mr. IANNI. By the way, the same is true in one other area, and that is the dropout problem. We had tended to assume that the problems of dropout are uniquely associated with American society. While we were in India we learned the same problem is just as true there as it is true in Israel and at home, also. This will give us a basis for comparison.

Mr. FOGARTY. The Division of Labor Standards in the Department of Labor are doing work in the area of dropouts?

Mr. IANNI. Yes, sir, we are also doing some joint work at the present time. For example, our project at the Virginia State College which we mentioned previously, the stipend for payment of the workers while they are attending special courses was funded by the Department of Labor.

Mr. FOGARTY. There is not any overlapping?

Mr. IANNI. No, sir.

Mr. FOGARTY. We asked them the same question and they said, "No."

Mr. IANNI. As a matter of fact, we checked.

Mr. FOGARTY. Complete cooperation and coordination?

Mr. IANNI. We check our applications in this area to make sure there is no duplication.

1964 FOREIGN PROJECTS

Mr. FOGARTY. In 1964 will you have projects in any other countries?

Mr. HUGHES. We have added the United Arab Republic in 1964 and this includes both research agreements and a project for the procurement of educational materials in connection with comparative education studies and, incidentally, we have projects in fiscal 1963 going on in Indonesia for the same purpose. This is true in Pakistan, also.

Dr. CALDWELL. Yugoslavia is also involved. We are sending a group of people to Yugoslavia to figure out areas to identify where it would be useful to do research cooperatively. There are a number of things that the Yugoslavs are doing. For example, they have developed kits for teaching science in rural schools. They have developed a variety of technological and pedagogical techniques which are very sophisticated.

Mr. FOGARTY. There are many Members in Congress—I am talking about foreign relations now, and especially foreign aid—who take a rather dim view of Yugoslavia.

Mr. KELLY. There is no request in this appropriation for funds for Yugoslavia.

Dr. CALDWELL. This is 1963 we are talking about right now.

SOCIAL CLIMATE OF THE CLASSROOM

Mr. FOGARTY. One of the fields in which you plan research, according to the justifications, is in the "Social Climate of the Classroom." What do you mean by that?

Mr. IANNI. We found in one study in the United States, Johns Hopkins University, very often the social setting within which a school classroom is conducted has an important effect upon the learning ability of the children. For example, in some areas of education—

Mr. FOGARTY. Sometimes the word "social" has a bad connotation.

Mr. IANNI. This could just as easily be called environmental problems.

What we really would like to find out is how the environment of the classroom affects the learning. For example, some of our research has indicated that as high as 44 percent of the time of some teachers is spent on just controlling the class. So that leaves only 56 percent of the time for actual instruction. Teachers handle this problem differently and in the past we have assumed that there is one type of teacher who is good and if you have a teacher who is democratic, that this is usually the best system.

Other people have advocated having a very authoritarian teacher and he becomes almost a father image figure to the children. Our research has indicated that different kinds of children respond differently to the different types of teachers. Some children, particularly bright and able children, are able to deal better with the democratic situation than are some other children. Some children actually re-

quire someone who can exert authority in the classroom. What we would like to find out is whether this again is a characteristic of a particular culture. Something that we find only in the United States? In some countries, like Israel, where they have a very permissive attitude in the classroom, do we find that the children respond just as well in those situations? So this again would give us a basis for comparison with our educational system.

Mr. FOGARTY. Well, we have that problem even in colleges. We have one school that believes pretty much in letting the young fellow go through and if he gets it all right, and if he does not get it, he does not. Others will flunk a big percentage of them out the first year. I think we have that in colleges.

Mr. IANNI. I think this is a problem which pervades all of the education systems at the present time and quite frequently we just do not know the answer just yet, and this is where we need more research.

"GADNA" PROGRAM

Mr. FOGARTY. Tell use about this program in Israel—"Gadna."

Mr. IANNI. Do you want me to respond?

This is a system which has been tried in Israel where, in the school system, what they do is informally and formally bring people together in special groups which takes place not only in the school classroom, but outside the school classroom as well. They have found that those individuals, once they are trained in the school, are also given specialized training in such things as educational practices and then become informal teachers in other situations as well.

Mr. FOGARTY. Is it like the Peace Corps?

Mr. IANNI. It is a local "Peace Corps." It is not even a "Domestic Peace Corps." It is a local "Peace Corps" type of operation.

FOREIGN LANGUAGE TRAINING AND AREA STUDIES

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Research, training, and studies (costs—obligations) (object class 41).....			2,500
Financing:			
New obligational authority (appropriation).....			2,500

Mr. FOGARTY. The next program is "Foreign language training and area studies." Will you put that statement in the record?
(The statement referred to follows:)

FOREIGN LANGUAGE TRAINING AND AREA STUDIES

The Mutual Educational and Cultural Exchange Act of 1961 (in sec. 102(b) (6)) provides opportunities for training in schools, colleges, and universities of teachers or prospective teachers in language and area studies. By Executive

order, the authority for this section was assigned to the Secretary of Health, Education, and Welfare, who in turn redelegated it to the Commissioner of Education.

The language of the act provides for "promoting modern foreign language training and area studies in U.S. schools, colleges, and universities by supporting visits and study in foreign countries by teachers and prospective teachers in such schools, colleges, and universities * * *"

SHORTAGE OF QUALIFIED TEACHERS

In keeping pace with demands for better instruction and current knowledge about the world, it is necessary for teachers or prospective teachers to increase their scope of knowledge in the language and area study fields. Such states as California, New York, and Pennsylvania have taken great strides in revising their elementary and secondary curriculum to require language and area studies involving the non-Western World as well as the Western World. Many other States and local school districts are taking positive action in the developments of new programs in these fields to improve the education of American youth. There is severe shortage of qualified teachers to carry out these new activities and the proposed grants will help fill a growing area of need.

PROPOSED LANGUAGE AND AREA PROGRAMS

In order to help attain American competency in the modern foreign language and area studies field we have proposed programs which include (1) study and research grants abroad for American teachers and prospective teachers, (2) teacher improvement programs, (3) institutes and seminars abroad in modern foreign language and area studies, and (4) participation of foreign teachers in the U.S. training programs.

The fiscal year 1964 appropriation request for "Foreign language training and area studies" is \$2,500,000. The amount requested will provide an estimated 450 grants for American teachers and prospective teachers to improve their knowledge of modern foreign languages and area studies, and for a limited number of foreign teachers or professors to come to the United States to assist in instruction in these fields.

Mr. FOGARTY. \$2,500,000 is requested for this new program. Place in the record the pertinent portion of the law authorizing this program and Executive Order 11034 which is the delegation of authority to HEW.

Mr. KEPPEL. We will, yes.
(The information follows:)

LEGISLATIVE AUTHORITY

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961, PUBLIC LAW 87-256,
APPROVED SEPTEMBER 21, 1961

SEC. 102(b) (6) promoting modern foreign language training and area studies in United States schools, colleges, and universities by supporting visits and study in foreign countries by teachers and prospective teachers in such schools, colleges, and universities for the purpose of improving their skill in languages and their knowledge of the culture of the people of those countries, and by financing visits by teachers from those countries to the United States for the purpose of participating in foreign language training and area studies in United States schools, colleges, and universities; * * *

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 11034

ADMINISTRATION OF THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT
OF 1961

By virtue of the authority vested in me by the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256; 75 Stat. 527; hereinafter referred to as the Act), and as President of the United States, I find that the dele-

gations set forth in this order are in the interest of the purposes expressed in the said Act and the efficient administration of the programs undertaken pursuant to that Act and determine that the delegates specified in the order are appropriate and I hereby order as follows:

SECTION 1. *Department of State.* (a) The following functions conferred upon the President by the Act are hereby delegated to the Secretary of State:

(1) The functions so conferred by Sections 102(a) (1), 102(a) (2) (i), (ii), and (iv), 102(b) (3), (5) and (9), 103, 104(e) (3), and 105(d) (1) and (e) of the Act.

(2) The functions so conferred by Sections 102(a) (2) (iii) and (b) (1), (2), (4), (7) and (8) of the Act (the provisions of Section 2(a) of this order notwithstanding).

(3) The functions so conferred by Section 102(a) (3) of the Act to the extent that they pertain to liquidation of affairs respecting the Universal and International Exhibition of Brussels, 1958.

(4) The functions so conferred by Sections 104 (d) and (e) (4) and 108 (c) and (d) of the Act to the extent that they pertain to the functions delegated by the foregoing provisions of this section.

(5) The function so conferred by Section 104(e) (1) of the Act of prescribing rates for per diem in lieu of subsistence; but in carrying out the said function as it relates to functions herein delegated to the Director of the United States Information Agency or the Secretary of Health, Education, and Welfare, the Secretary of State shall consult with them.

(b) The Secretary of State, in collaboration with the Director of the United States Information Agency, the Secretary of Commerce, and the *Secretary of Health, Education, and Welfare* with respect to the functions delegated by Sections 2, 3, and 4, respectively, of this order, shall prepare and transmit to the President the reports which the President is required to submit to the Congress by Section 108(b) of the Act.

(c) With respect to the carrying out of functions under Section 102(a) (2) (ii) of the Act hereinabove delegated to the Secretary of State, the Director of the United States Information Agency shall participate in the planning of cultural and other attractions. Such participation shall include consultation in connection with (1) the selection and scheduling of such attractions, and (2) the designation of the areas where the attractions will be presented.

SEC. 2. *United States Information Agency.* Subject to the provisions of Section 6 of this order, the following functions conferred upon the President by the Act are hereby delegated to the Director of the United States Information Agency:

(a) The functions so conferred by Sections 102 (a) (2) (iii) and (b) (1); Section 102(b) (2) to the extent that it authorizes the type of centers now supported by the United States Information Agency abroad and designated as binational, community, or student centers; Section 102(b) (4) exclusive of professorships and lectureships; and Sections 102(b) (7) and (8) of the Act; all of the foregoing notwithstanding the provisions of Section 1(a) (2) of this order.

(b) The functions so conferred by Section 104(e) (4) of the Act (the provisions of Sections 1(a) (4) and 3(b) of this order notwithstanding).

(c) The functions so conferred by Section 102(a) (3) of the Act to the extent that they are in respect of fairs, expositions, and demonstrations held outside of the United States, but exclusive of the functions delegated by the provisions of Section 1(a) (3) of this order.

(d) The functions so conferred by Sections 104(d) and 108 (c) and (d) of the Act to the extent that they pertain to the functions delegated by the foregoing provisions of this section.

SEC. 3. *Department of Commerce.* Subject to the provisions of Section 6 of this order, the following functions conferred upon the President by the Act are hereby delegated to the Secretary of Commerce:

(a) The functions so conferred by Section 102(a) (3) of the Act to the extent that they are in respect of fairs, expositions, and demonstrations held in the United States.

(b) The functions so conferred by Sections 104(e) (4) and 108(c) of the Act to the extent that they pertain to the functions delegated by the foregoing provisions of this section.

SEC. 4. *Department of Health, Education, and Welfare.* Subject to the provisions of Section 6 of this order, the functions conferred upon the President

by Section 102(b) (6) of the Act are hereby *delegated* to the *Secretary of Health, Education, and Welfare*.

SEC. 5. *Certain incidental matters.* (a) In respect of functions hereinabove delegated to them, there is hereby delegated to the Secretary of State, the Director of the United States Information Agency, the Secretary of Commerce, and the Secretary of Health, Education, and Welfare, respectively:

(1) The authority conferred upon the President by Sections 105(d) (2) and (f) and 106 (d) and (f) of the Act.

(2) Subject to the provisions of Section 5 (b) and (c) of this order, the authority conferred upon the President by Section 104(b) of the Act to employ personnel.

(b) The employment, by any department or other executive agency under Section 5(a) (2) of this order, of any of the not to exceed ten persons who may be compensated without regard to the Classification Act of 1949 under Section 104(b) of the Act shall require prior authorization by the Secretary of State concurred in by the Director of the Bureau of the Budget.

(c) Persons employed or assigned by a department or other executive agency for the purpose of performing functions under the Act outside the United States shall be entitled, except in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by Section 528 of the Foreign Service Act of 1946, as amended (22 U.S.C. 928), for persons appointed to the Foreign Service Reserve. In cases in which the period of employment or assignment exceeds thirty months, persons so employed or assigned shall be entitled to such benefits if agreed by the agency in which such benefits may be exercised.

(d) Pursuant to Section 104(f) of the Act, Executive Order No. 10450 of April 27, 1953, (18 F.R. 2489) is hereby established as the standards and procedures for the employment or assignment to duties of persons under the Act.

(e) Any officer to whom functions vested in the President by the Act are hereinabove delegated may (1) allocate to any other officer of the executive branch of the Government any funds appropriated or otherwise made available for the functions so delegated to him as he may deem appropriate for the best carrying out of the functions and (2) make available, for use in connection with any funds so allocated by him, any authority he has under this order.

SEC. 6. *Policy guidance.* In order to assure appropriate coordination of programs, and taking into account the statutory functions of the departments and other executive agencies concerned, *the Secretary of State shall exercise primary responsibility for Government-wide leadership and policy guidance with regard to international educational and cultural affairs.*

SEC. 7. *Functions reserved to the President.* (a) There are hereby excluded from the functions delegated by the provisions of this order the functions conferred upon the President with respect to (1) the delegation of powers under Section 104(a) of the Act, (2) the establishment of standards and procedures for the investigation of personnel under Section 104(f) of the Act, (3) the transfer of appropriations under Section 105(c) of the Act, (4) the appointment of members of the Board of Foreign Scholarships under Section 106(a) (1) of the Act, (5) the appointment of members, the designation of a chairman, and the receipt of recommendations of the United States Advisory Commission on International Educational and Cultural Affairs under Section 106(b) of the Act, (6) the waiver of provisions of law or limitations of authority under Section 108(a) of the Act, and (7) the submission of annual reports to the Congress under Section 108(b) of the Act.

(b) Notwithstanding the delegations made by this order, the President may in his discretion exercise any function comprehended by such delegations.

SEC. 8. *Waivers.* (a) It is hereby determined that the performance by any department or other executive agency of functions authorized by Sections 102(a) (2) and 102(a) (3) of the Act (22 U.S.C. 2452(a) (2) and (3)) without regard to prohibitions and limitations of authority contained in the following specified provisions of law is in furtherance of the purposes of the Act:

(1) Section 15 of the Administrative Expenses Act of 1946 (c. 744, August 2, 1946; 60 Stat. 810), as amended (5 U.S.C. 55a) (experts and consultants); but the compensation paid individuals in pursuance of this paragraph shall not exceed the rate of \$100.00 per diem.

(2) Section 16(a) of the Administrative Expenses Act of 1946 (c. 744, August 2, 1946; 60 Stat. 810; 5 U.S.C. 78) to the extent that it pertains to hiring automobiles and aircraft.

(3) Section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) (advance of funds).

(4) Section 322 of the Act of June 30, 1932, c. 314, 47 Stat. 412 (40 U.S.C. 278a) (maximum charges).

(5) Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5) (competitive bids).

(6) Section 3710 of the Revised Statutes (41 U.S.C. 8) (opening of bids).

(7) Section 2 of the Act of March 3, 1933, c. 212, 47 Stat. 1520 (41 U.S.C. 10a) (Buy American Act).

(8) Section 3735 of the Revised Statutes (41 U.S.C. 13) (contracts limited to one year).

(9) Sections 302-305 of the Federal Property and Administrative Services Act of 1949 (June 30, 1949, c. 288, 63 Stat. 393 et seq.), as amended (41 U.S.C. 252-255) (competitive bids; negotiated contracts; advances).

(10) Section 87 of the Act of January 12, 1895, c. 23, 28 Stat. 622, and the second proviso of Section 11 of the Act of March 1, 1919, c. 86, 40 Stat. 1270, as amended (44 U.S.C. 111) to the extent that they pertain to printing by the Government Printing Office.

(11) Section 1 of the Act of June 20, 1878, c. 359, 20 Stat. 216, as amended (44 U.S.C. 322) (advertising).

(12) Section 3828 of the Revised Statutes (44 U.S.C. 324) (advertising).

(13) Section 901(a) of the Merchant Marine Act, 1936 (June 29, 1936, c. 858, 49 Stat. 2015, as amended; 46 U.S.C. 1241(a)) (official travel overseas of United States officers and employees, and transportation of their personal effects, on ships registered under the laws of the United States).

(14) Any provision of law or limitation of authority to the extent that such provision or limitation would limit or prohibit construction of buildings by the United States on property not owned by it.

(b) It is directed (1) that all waivers of statutes and limitations of authority effected by the foregoing provisions of this section shall be utilized in a prudent manner and as sparingly as may be practical, and (2) that suitable steps shall be taken by the administrative agencies concerned to insure that result, including, as may be appropriate, the imposition of administrative limitations in lieu of waived statutory requirements and limitations of authority.

SEC. 9. Definition. As used in this order, the word "function" or "functions" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

SEC. 10. References to orders and acts. Except as may for any reason be inappropriate:

(a) References in this order to the Act or any provision of the Act shall be deemed to include references thereto as amended from time to time.

(b) References in this order to any prior Executive order not superseded by this order shall be deemed to include references thereto as amended from time to time.

SEC. 11. Prior directives and actions. (a) This order supersedes Executive Order No. 10716 of June 17, 1957, and Executive Order No. 10912 of January 18, 1961. Except to the extent that they may be inconsistent with law or with this order, other directives, regulations, and actions relating to the functions delegated by this order and in force immediately prior to the issuance of this order shall remain in effect until amended, modified, or revoked by appropriate authority.

(b) This order shall neither limit nor be limited by Executive Order No. 11014 of April 17, 1962.

(c) To the extent not heretofore superseded, there are hereby superseded the provisions of the letters of the President to the Director of the United States Information Agency dated August 16, 1955, and August 21, 1956 (22 F.R. 101-103).

SEC. 12. Effective date. The provisions of this order shall be effective immediately.

JOHN F. KENNEDY.

THE WHITE HOUSE,
June 25, 1962.

[F.R. Doc. 62-6326; Filed, June 26, 1962, 1:39 p.m.]

Mr. FOGARTY. Is there a legislative limitation on the amount which may be appropriated?

Mr. HUGHES. No legislative limitation.

Mr. FOGARTY. What other agencies participate in carrying out the Mutual Educational and Cultural Exchange Act and what do they do?

Dr. CALDWELL. Certain parts of it are on exhibits, commercial exhibits which have been delegated to the Department of Commerce and the Fulbright-Hays Act is actually an omnibus act which pools together the various exchanges of cultural materials, exhibits, that are gathered into one overall legislation. I know that Commerce and HEW were involved and I am not able to tell you if other agencies are or not.

TYPES OF PROJECTS

Mr. FOGARTY. There are six types of projects you plan to finance. They are named on page 55. We will put them all in the record, and supply for the record an explanation of each.

Mr. KEPPEL. Yes, sir.

(The information follows:)

PROJECTS PROPOSED IN MODERN FOREIGN LANGUAGES AND AREA STUDIES UNDER SECTION 102(b) (6), THE FULBRIGHT-HAYS ACT

Type of projects	Estimated number of grants	Estimated cost
Graduate students overseas.....	120	\$681,600
National Defense Education Act center faculty abroad.....	40	460,000
Elementary-secondary study grants.....	50	434,000
Summer seminars.....	185	494,600
Foreign teachers to the United States.....	30	145,300
Foreign professors to National Defense Education Act centers.....	25	284,500
Total requirements.....	450	2,500,000

Program description

PROJECT 1

1. Project title

U.S. graduate student awards for prospective teachers of non-Western languages and area studies (NDEA related).

2. General project description

This project is designed to develop competence in non-Western languages and related area studies among American graduate students preparing to teach these subjects in an American institution of higher education.

One hundred and twenty awards at an estimated program cost of \$681,600 are planned for 1964-65. Awards for foreign study will be from 2 to 12 months' duration and may be combined with an NDFL award to precede or follow the period of oversea study. Awards will be computed individually by the Language Development Branch, based on a minimum maintenance allowance of \$2,250 for a 10-month period and adjusted upward to meet local living costs and to provide dependents allowance.

3. Academic subject matter, level, and recognition

Project subject matter is advanced study of the language and related studies needed for a full understanding of the non-Western country or area in which the language is commonly used. The related studies may include such fields as anthropology, economics, geography, history, linguistics, literature, philosophy, political science, and sociology.

Students must have completed the equivalent of 2 full years of relevant graduate study in the United States and must be preparing for college teaching in the United States.

Students must be recommended by the home institution and will normally be expected to return to that institution to obtain their advanced degrees upon completion of the overseas program.

4. Procedures for administering the project in the United States

The project is administered domestically by the Director of the Language Development Branch, U.S. Office of Education, with the cooperation of NDFL committees appointed by the graduate deans of participating institutions.

5. Procedures for administering the project abroad

Students may be enrolled in an overseas program sponsored by a U.S. institution, or in a foreign university, or in independent research for the dissertation, or in a combination thereof. The proposed program of study must be approved by the home institution where the student expects his degree.

6. Foreign participating organization or institution

None is officially concerned with the project, except insofar as individual students may enroll for courses or use local facilities for research.

7. Qualifications of organizations or institutions for carrying out the program

Students must be enrolled in American graduate institutions offering suitable programs in the relevant language and area study.

8. Eligibility criteria for individual participants

Citizens or nationals of the United States planning a teaching career in the language or related area studies of a non-Western part of the world who have completed the equivalent of 2 full years of graduate study and have demonstrated competence in one of the languages of the world area with which their studies are concerned.

9. Selection

Students are recommended initially by the NDFL committee at the home institution and their applications, references, transcripts, and proposed study program are screened by a national panel of experts. Overseas posts and/or commissions receive biographical data on recommended candidates for approval. Final selection is made by the BFS and awards are issued by the Office of Education.

10. Contribution to objectives of section 102(b)(6), Fulbright-Hays Act

This project is designed to promote modern foreign language training and area studies in U.S. colleges and universities by improving among prospective teachers in these institutions their skill in languages and their knowledge of the culture of the people of the non-Western World.

11. Proposed BFS role in the project

1. Review of the project prior to its implementation by LDB.
2. Presentation to BFS Selection Committee of names, destinations, and proposed projects of recommended recipients for selection contingent upon satisfactory name check and post approval.
3. Annual report on program results.

PROJECT 2

1. Project title

U.S. teachers of modern foreign languages and area studies at NDEA-supported language and area centers (NDEA-related).

2. General project description

This project is designed to improve skill in a relevant foreign language and/or related area studies of the non-Western area in which the applicant is professionally engaged as a faculty member of an NDEA language and area center.

Forty awards at an estimated program cost of \$460,000 are planned for 1964-65. Awards for foreign study and/or research will be from 2 to 12 months duration. Stipends will be individually computed by the language development branch in an amount not to exceed \$15,000 for a 12-month period, and based generally on the recipient's salary at time of application. Awards of more than 6 months may include an allowance for dependents. Supplemental support

which the recipient may receive from other fellowships or from sabbatical leave pay will be taken into consideration in computing the total stipend.

3. Academic subject matter, level, and recognition

Project subject matter includes study and/or research which will enhance the candidate's skills and knowledge in connection with the area in question and thereby serve to advance language and area programs in his center and in the United States as a whole.

Candidates must be center faculty members with doctoral degree or its equivalent who have been professionally concerned, during the 2 years prior to the grant, with the language or related area studies of the foreign area on which their centers focus.

Candidates must submit an acceptable program of study and/or research which has been approved and transmitted with the recommendation of the Center Director.

4. Procedures for administering the project in the United States

The project is administered domestically by the Director of the Language Development Branch, U.S. Office of Education, with the cooperation of the NDEA language and area center directors.

5. Procedures for administering the project abroad

Recipients of awards may be enrolled in an overseas program conducted by a U.S. institution or by a recognized foreign institution of higher education or be engaged in research, or a combination of study and research.

6. Foreign participating organization or institution

None is officially concerned with the project, except insofar as individual awardees may enroll for courses or use local facilities for research.

7. Qualifications of organizations or institutions for carrying out the program

Recipients must be faculty members of NDEA Language and Area Centers.

8. Eligibility criteria for individual participants

American citizens or nationals who have been faculty members over the past 2 years at NDEA language and area centers and who present an acceptable program of study and are recommended by the Center Director. Applicants must hold the doctorate or equivalent degree. They must demonstrate personal and professional qualities which promise future achievement and service to higher education in the U.S. They must have a level of competency in one of the languages of the area commensurate with the proposed study/research program.

9. Selection

Applicants are recommended by the NDEA Center Director. Overseas posts and/or commissions receive biodata on recommended candidates for approval. Final selection is made by the BFS and awards are issued by the Office of Education.

10. Contribution to objectives of section 012(b)(6), Fulbright-Hays Act

This project is designed to promote modern foreign language training and area studies of the non-Western world in U.S. colleges and universities by improving among faculty members their skill in languages and knowledge of related area studies.

11. Proposed BFS role in the project

1. Review of the project prior to its implementation by LDB.
2. Presentation to BFS Selection Committee of names, destinations, and proposed projects of recommended recipients for selection contingent upon satisfactory name check and post approval.
3. Annual report on program results.

PROJECT 3

1. Title

One-year study or research grants for elementary and secondary teachers of modern foreign language and/or area studies.

2. General project description

Selected elementary and secondary school teachers of modern foreign language and/or area studies will receive 1-year grants for study and/or research in their

fields of primary interest. Such study or research may involve enrollment in an institution of higher learning; interim assignment to a foreign school, school system, institute, or ministry; and related activities. The primary objective is the improvement of individual teacher competence which should permit a flexible program, custom tailored to meet individual needs.

This project differs from regular graduate student awards in several ways and has a number of distinctive characteristics.

1. It is a training program designed to aid outstanding language and area studies teachers of high potential who are likely to become language or area studies program supervisors or curriculum specialists.

2. The program is comprehensive, involving study and/or research, gathering of materials, observation of schools and teaching techniques.

3. The teacher should have a minimum of 5 years' teaching experience.

4. Because of the qualifications established, many candidates will be over 35 years of age, which is the age limit for graduate student awards.

5. It may be desirable to allocate one such grant to each State, with the State department of education nominating three candidates for each grant.

Unit cost for each of 50 grants:

Travel and baggage-----	\$1,150
Maintenance-----	5,000
Dependents (2)-----	2,000
Tuition-----	300
Books-----	200
Insurance-----	30
Total-----	8,680
Total for project-----	434,000

3. *Academic subject matter, level, and recognition*

The subjects involved are modern foreign languages and subjects such as history, geography, government, education, economics, anthropology, sociology, and others found in area studies programs.

The academic level is graduate, and it is anticipated that the teachers will be working for credit and undoubtedly toward advanced degrees.

4. *Procedures for administering the project in the United States*

The U.S. Office of Education will administer the project and will publicize the opportunities to State departments of education and school systems throughout the country. Committees in the various States will rank the candidates from their State, submitting the top three candidates' names to the Office. The Office will recommend one from each State for an award.

The Office will issue terms of award and travel requests and pay allowances, tuition, and fees. Reports from grantees will be received by the Office upon the termination of their grants.

5. *Procedures for administering the project abroad*

The American Embassy and/or educational commission if there is one in the host country will review applications of recommended American teachers for suitability. The Embassy will assist in orienting the grantee upon arrival and give help with placement and housing if needed. The Embassy may also be asked to issue maintenance checks chargeable to the Office of Education's appropriation. Other facilitative services may be required, such as introductions to certain people, advice on travel, and other items.

6. *Foreign participating organization or institution*

This will vary from country to country and from teacher to teacher. Principal institutions, however, will be universities, schools or school systems, institutes, or ministries of education.

7. *Qualifications of organizations or institutions*

Institutions abroad attended by American grantees must be recognized and approved in their own countries and by the Board of Foreign Scholarships. If grantees are enrolled for regular course work, the institution must offer graduate courses. School systems for observation purposes would be approved and recommended by the Ministry of Education.

8. *Eligibility criteria for individual participants*

(a) Must be an outstanding teacher of modern foreign languages or area studies.

(b) Must possess the potential of being considered as a future supervisor or curriculum director.

(c) Must have a minimum of 5 years of experience.

(d) Must be an American citizen of good health and moral character.

9. *Selection*

It is anticipated that committees will be established in each State to rank the candidates who apply to the Office from that State. The top three candidates will be indicated. The Office will recommend a panel of principal candidates with alternates to the Board of Foreign Scholarships for selection or under any other system of selection set up by the Board.

10. *Contribution toward U.S. foreign policy*

The thrust of this project is to make teachers and their students more knowledgeable about other peoples and their cultures through their languages, history, and general cultural background. Conversely, having American teachers of high potential abroad will give a better picture of the United States, its educational system, its teaching profession, and its people. Both objectives are in keeping with the underlying philosophy and foreign policy objectives of the exchange program.

11. *Proposed role of the Board of Foreign Scholarships*

1. Review the project and approve it prior to implementation.

2. Approve, if appropriate, foreign universities or institutes receiving the American grantees.

3. Provide policy guidance to the Office.

4. Approve the candidates recommended by the Office for awards or recommend some other system of selection.

PROJECT 4

1, 2, and 3. *Title, project description, subject matter, and level*

(a) Seminar in the political, economic, and diplomatic history of the Arab world (Middle East, 30 grants): This project would be conducted at the American University in Beirut or possibly at a university in Egypt. A contract would be made by the Office of Education with the university to establish this special summer seminar.

The project would cover 8 weeks and would include 30 grantees. The objective would be to increase the competence of teachers, instructors, and assistant professors in teaching about this area of the world and to further the goal of mutual understanding and good will.

Academic work would be at the graduate level with lectures on the political, economic, and diplomatic history of the Arab world. Included, of course, would be lectures on art, music, architecture, religion, and related subjects. The seminar would run for 6 weeks with 2 weeks of travel to places of historic and cultural interest.

(b) Seminar in Japanese language and area studies (Japan, 15 grants): This project calls for a special 8-week program in Japan, with 6 weeks of academic study and 2 weeks of travel within Japan to places of historic and cultural interest. Approximately 15 teachers, instructors, or assistant professors of Japanese or Far Eastern history will take part in the seminar. The lectures will concern the history, geography, and economic life of Japan and the general cultural background of the Japanese people. The level will be graduate. A course in conversational Japanese will be available to those who wish to take it. A working knowledge of Japanese is a requirement. A contract will be made with the Stanford University Center in Tokyo or some other university there.

(c) Seminar in Mexican history and area studies (Mexico, 30 grants): This project provides an opportunity for 30 teachers, instructors, and assistant professors of Latin American history, government, economics, or history of the Americas to attend an 8-week program in Mexico. Six weeks of academic work will be followed by 2 weeks of travel in Mexico to places of historic and cultural interest. Lectures will cover the history of Mexico; its

geography; economic and social conditions; and Mexico's relationship to other Latin American nations, the United States, and Europe to some extent.

The level of the program will be graduate, and a contract will be made with the National University of Mexico to conduct the program. Lectures will be conducted in English. A class in Spanish conversation will be provided for those who elect it.

(d) Seminar in west African history and area studies (west Africa, 30 grants): Thirty grants will be made to high school teachers, instructors, and assistant professors of African or world history, geography, economics, and comparative government to attend an 8-week program. Six weeks will be devoted to lectures on west African history, geography, and cultural and ethnic backgrounds. Current affairs of government, economic life, and international affairs will be discussed as appropriate. Two weeks will be devoted to travel in west African countries.

The level will be graduate, and a contract will be made with a suitable university in west Africa or in the United Kingdom to conduct the program.

(e) Traveling seminar for American supervisors of French, Spanish, and German (Spain, France, Germany, 20 grants): Twenty supervisors of modern foreign languages at the State, city, or county level will go to Spain, France, and Germany for at least 2 weeks in each country to visit schools; observe methods and techniques; consult with university professors, ministry of education, and other supervisory officials on language teaching; and gather materials for the improvement of language instruction in the United States. Educational commissions would be asked to make appropriate arrangements.

An additional 2 weeks would permit free travel time to places of interest and additional gathering of materials.

No course as such is involved, but it is believed that supervisors of modern foreign language teachers particularly need and could profit from this opportunity.

(f) Seminar for elementary teachers of Spanish (Costa Rica, 30 grants): More and more school systems are requiring the study of Spanish, French, or German in the elementary grades. Many of these teachers are poorly prepared and may not speak the language with real fluency or have perfect pronunciation. It is proposed that 30 teachers of Spanish at the elementary level take part in a seminar or institute at the University of Costa Rica. The course level would be graduate.

Six weeks would be devoted to conversation practice, grammar, composition, and children's literature. Lectures on art, music, and general culture would be included. A class in native or folk dancing might be optional. The gathering of materials, such as stories, pictures, records, slides, games, and other realia would be urged for class use. One or two weeks for travel in the area should be included.

(g) Seminar for elementary teachers of French (France, 20 grants): For the same reasons as in (f), a similar project is proposed for 20 teachers of French at the elementary level. The subject content and other activities of the program would be similar. The Universities of Bordeaux and Toulouse sponsor the Institut d'Etudes Francaises pour Etrangers at Pau, and a contract might be made with the institut or a similar institution to conduct this program.

The seminar would be for 6 weeks with 2 weeks for travel within France to places of historic and cultural interest. The level of the program would be graduate.

(h) Seminar for professors of comparative education (Africa, 10 grants): This 8-week seminar would be for university staff members who teach or do research, or advanced graduate students who plan to teach comparative education. The time might be divided, with 6 weeks at Makerere College in Uganda with lectures on the systems of education used in various countries. This will involve the French and British educational patterns and the modifications which have been made since independence. Lectures will also cover the historical, economic, social, cultural, and religious backgrounds of the African peoples concerned as they relate to the educational system. Two weeks would be devoted to visiting several other countries and educational institutions for discussions with educational authorities.

The seminars would be at the graduate level.

4. Procedures for administering the project in the United States

Teachers, instructors, and assistant professors in the appropriate modern foreign language field or area studies discipline may apply directly to the Office of Education's Teacher Exchange Section. The Office will arrange for personal interviews with one of 60 regional interviewing committees. Clearances and medical statements will be obtained and reviewed by the Office. Recommendations of principal and alternate candidates will be made by the Office for the review and approval of educational commissions and/or American Embassies and by the Department of State and the Board of Foreign Scholarships. Should the Board devise a different system for selection, the Office will follow the new plan. Letters of award will be prepared by the Office.

Reports will be required of all grantees. Travel, tuition, and fees, and other benefits will be disbursed by the Office. This procedure applies to all seminar projects.

5. Procedures for administering the project abroad

Contracts will be made by the Office with suitable universities, institutes, or other recognized educational institutions or departments overseas to establish these academic programs, to arrange appropriate domestic travel and observation of schools, and to see places of historic interest. In Project "e", educational commissions will make the necessary arrangements. Reports will be required of the universities administering projects.

Educational commissions may be requested to provide brief orientation for American groups arriving in the host country. Embassy staffs would be expected to render normal facilitative services to American grantees, but it is anticipated that these would be nominal.

6. Foreign participating organization or institution (tentative)

(a) Seminar in the political, economic, and diplomatic history of the Arab World—American University of Beirut.

(b) Seminar in Japanese language and area studies—the Stanford University Center in Tokyo.

(c) Seminar in Mexican history and area studies—the National Autonomous University of Mexico.

(d) Seminar in West African history and area studies—University of Ghana, Institute of African Studies; or University of Edinburgh, Institute of African Studies.

(e) Traveling seminar for American supervisors of French, Spanish, and German—arrangements will be made by the educational commissions for discussions with ministry officials and through them visits to schools, universities, and research centers.

(f) Seminar for elementary teachers of Spanish—the University of Costa Rica.

(g) Seminar for elementary teachers of French—the Institut d'Etudes Françaises pour Etrangers in Pau, France, jointly sponsored by the Universities of Bordeaux and Toulouse.

(h) Seminar for professors of comparative education (Africa)—Makerere College in Uganda.

7. Qualifications of organizations or institutions for carrying out the program

All of the institutions named above to carry out proposed projects are recognized colleges or universities with suitable staffs, facilities, or special institutes to carry out effectively the programs outlined. It is believed that they have all been previously recognized and approved by the Board of Foreign Scholarships.

8. Eligibility criteria for individual participants

General requirements include American citizenship, good health, and good moral character. Both men and women teachers, instructors, and assistant professors are eligible for the language and area studies seminars. For Project "e", American supervisors of the teaching of French, Spanish, and German, or modern foreign languages are eligible. For Project "h", professors at all levels and graduate students in comparative education with 2 years of graduate study would be eligible. Projects "f" and "g" include only elementary teachers of Spanish and French, respectively.

9. Selection

Candidates will be interviewed by 1 of the 60 regional interviewing committees which have been established by the Office of Education. The Office of Education then will evaluate the applications in terms of training, experience, references, and interview reports. A panel of principal candidates with alternates will be presented to our Embassies and/or educational commissions and to the Board of Foreign Scholarships for approval.

10. Contribution toward U.S. foreign policy

In sending these teachers and supervisors abroad for intensive seminars in modern foreign language and area studies, their professional competence will be improved and their students made more knowledgeable as a result of their teaching. The fact that these groups are studying and observing in these fields in other countries and that they are meeting and working with their educational colleagues abroad will contribute to an exchange of information and knowledge which should advance the objective of better understanding and good will.

11. Proposed role of the Board of Foreign Scholarships

1. Review the project and approve it prior to implementation.
2. Approve, if appropriate, the foreign educational institutions participating in the project.
3. Provide policy guidance to the Office of Education.
4. Approve the candidates recommended by the Office for awards or suggest another method of selection.

PROJECT 5

1. Title

Foreign curriculum specialists—Improvement of American teaching of modern foreign languages and area studies.

2. General program description

Selected teachers, curriculum specialists, and supervisors from certain foreign countries will receive 4- to 10-month grants to assist in the revision and improvement of curriculum, teaching materials, textbooks, teaching methods, etc., by working directly with American city and county school systems or State departments of education.

Ten grantees would be selected for the first year representing fields of study and countries indicated in requests for assistance of this type received in the Office of Education from State departments of education and local school systems, at an average of \$9,330 per grant. In addition, 20 specialists in these fields already in the United States on 6-month grants under the international teacher development program would be retained on grant extensions on maintenance grants of \$2,600 each.

The primary objective is the improvement and strengthening of language and area study programs throughout specific State and local school systems by improving courses of study, bringing information about certain countries or areas up to date, and preparing supplementary teaching materials.

Unit costs for each of 10 new grants :

Travel and baggage-----	\$1, 150
Maintenance-----	6, 000
Dependents (2)-----	2, 000
Books-----	150
Insurance-----	30
Total-----	9, 330
10 new grants at \$9,330-----	93, 300
20 maintenance grants at \$2,600 (extensions for 4 months)-----	52, 000
Total for project-----	145, 300

3. Academic subject matter, level, and recognition

The fields of specialization involved are curriculum planning, preparation of teaching materials, teaching methodology in foreign languages and social science (area studies), and supervision.

The experience level of the participants would be that of supervisors and specialists at the national ministry of education or major local counterpart thereof, and instructors from teacher training institutions.

4. Procedures for administering the project in the United States

The U.S. Office of Education will administer the project and will publicize the opportunities for assistance in these areas to State departments of education and school systems throughout the country, soliciting their requests for assistance where their needs are most critical. Available specialists from abroad will be recommended to specific State departments of education and local school systems in accordance with priorities of need as determined by the Office of Education.

The Office will issue checks to grantees for maintenance allowances and books, and arrange for payments of insurance premiums. Reports from grantees will be received by the Office upon the termination of their grants. Evaluation reports will also be requested from each State department of education or local school system assisted by these specialists as an aid to future programing.

5. Procedures for administering the project abroad

The American Embassy and/or educational commission, in countries where they exist, will recruit and recommend suitable applicants in the fields of specialization requested by American State departments of education and local school systems. This will include obtaining completed application papers, any credentials required, and other specific information which may be necessary concerning recommended candidates. The Embassy will also advise as to each person's suitability in terms of visa clearance and general physical health. The Embassy will conduct an orientation for each grantee prior to departure for the United States and will arrange for the necessary travel, issuing Government travel requests chargeable to the Office's appropriation.

For the grantees participating in the international teacher development program who are offered extensions and who desire to accept appointments under this project, the American Embassy and/or educational commission will obtain necessary concurrences from the grantee's home institution, ministry of education, or other appropriate authority.

6. Foreign participating organization or institution

This may vary from country to country and will depend on the home employing authority of the candidates recommended for grants. In most cases, however, it is anticipated that when educational institutions are involved, they will be teacher-training institutions. Most of the other grantees will be officials or employees of public education authorities at the national, State, or local level. The foreign employing institution or educational authority should formally recommend all applicants, grant official leaves of absence to selected grantees, and guarantee them reinstatement in their former positions upon return.

7. Qualifications of organizations or institutions

Institutions abroad from which candidates are recommended must be recognized and approved in their own countries and by the Board of Foreign Scholarships. It is assumed that the board will continue to approve any candidate representing a duly constituted foreign government educational authority or institution who is recommended by the Office of Education, the American Embassy, and/or the educational commission in the country.

8. Eligibility criteria for individual participants

(a) Must be a recognized authority in his own country in language and area studies pertaining to his region of the world, or in the fields of curriculum planning and development, preparation of teaching materials, or teacher training and methodology.

(b) Must possess fluency in English.

(c) Must have a minimum of 5 years of experience.

(d) Must be capable of meeting people easily, and working harmoniously with groups and committees.

9. Selection

The Office of Education will review and evaluate the qualifications of candidates recommended by American Embassies and/or educational commissions abroad against the requests for assistance received from American State departments of education and local school systems. Applications of specific candidates will be submitted to State and local school systems for review and approval in accordance with priorities of need previously determined. Upon acceptance by

the American school system, the Office will recommend a panel of principal candidates with alternates to the Board of Foreign Scholarships for selection or under any other system of selection set up by the board.

10. Contribution toward U.S. foreign policy

The objective of this project is the improvement and strengthening of language and area studies programs in selected areas of the country by making available to specific State and local school systems foreign specialists in these fields at the administrative and supervisory level. Since the impact of this relatively small number of specialists will be felt widely as their recommendations are implemented throughout entire school systems, a definite contribution will be made toward increasing our knowledge of foreign languages and other peoples and cultures. This is basic to the philosophy of the educational exchange program and ultimately enhances the attainment of our foreign policy objectives.

11. Proposed role of the Board of Foreign Scholarships

1. Review the project and approve it prior to implementation.
2. Approve, where appropriate, the foreign educational institutions from which some grantees will be sent to the United States.
3. Provide policy guidance to the Office of Education.
4. Approve the candidates recommended by the Office for awards or recommend some other system of selection.

PROJECT 6

1. Project title

Foreign scholars of modern foreign languages and related area studies to participate in teaching and/or research at National Defense Education Act Language and Area Centers (NDEA-related).

2. General project description

This project is designed toward improvement of language and/or area studies in U.S. colleges and universities.

Twenty-five awards at an estimated program cost of \$284,500 are planned for 1964-65. Awards for full-time instruction and/or research will be from 8 to 12 months duration. Stipends will be individually computed by the Language Development Branch, based upon the recommendation of L. & A. Center director in accordance with his local salary schedule, in an amount not to exceed \$15,000 for a 12-month period. An allowance for accompanying dependents may be included at the discretion of the Language Development Branch.

3. Academic subject matter, level, and recognition

Project subject matter includes full-time instruction and/or research, in accordance with the expectations and needs of the U.S. host institution. The work may be in language or area, teaching or research, but it must be designed to advance language and area studies in the host L. & A. Center.

4. Procedures for administering the project in the United States

The project is administered domestically by the Director of the Language Development Branch, U.S. Office of Education, with the cooperation of the NDEA Language and Area Center directors.

5. Procedures for administering the project abroad

NDEA Center directors initiate informal inquiries to ascertain availability of foreign scholars on an individual basis.

6. Foreign participating organization or institution

None is officially concerned with the project.

7. Qualifications of organizations or institutions (American and foreign) for carrying out the program

The program is carried out at NDEA Centers.

8. Eligibility criteria for individual participants (American and foreign)

The center director is responsible for preliminary inquiries as to the candidate's ability to perform the desired functions. The candidate must possess a demonstrable competence or skill which will strengthen the resources of the center at which he will reside either in language or related fields.

9. Selection

Applicants are recommended by the NDEA Center director. The biodata of recommended foreign candidates will be transmitted to the posts for their approval of an award and determination as to visa eligibility. Final selection is made by the BFS and awards are issued by the Office of Education.

10. Contribution to objectives of section 102(b)(6), Fulbright-Hays Act

This project is designed to promote modern foreign language training and related area studies of the non-Western World in U.S. colleges and universities.

11. Proposed BFS role in the project

1. Review of the project prior to its implementation by Language Development Branch.

2. Presentation to BFS Selection Committee of names, destinations, and proposed projects of recommended recipients for selection contingent upon satisfactory name check and post approval.

3. Annual report on program results.

DIFFERENCE BETWEEN THIS AND PREVIOUS TEACHER EXCHANGE PROGRAMS

Mr. FOGARTY. Now, will you expand a little on the statement on page 59 of the justifications? It is:

It should be noted that these teacher and teaching improvement programs are to be established on a different basis than that on which previous U.S.-foreign teacher exchanges have been run.

Mr. HUGHES. Dr. Caldwell?

Dr. CALDWELL. The program which has been carried on by the appropriation to the Department of State in the past few years has always been restricted to foreign policy interests of the Department of State. The basic difference between the program that we envision and the reason why it was turned over to us is because it was written into that section of the act that these programs are to be designed to strengthen American education.

Now, the programs which the Department of State has been carrying on for many years have strengthened American education but by indirection, rather than by direct planning. In developing—

Mr. FOGARTY. That does not mean an awful lot to me—"by indirection."

Dr. CALDWELL. They send people over for the purpose of creating good will for the United States rather than to acquire special competence to enable them to come back and teach in American classrooms. That is the relative difference.

Mr. FOGARTY. I see.

Dr. CALDWELL. Then they send them into a given area because they need somebody there to explain American policy and our ideas and our American way of life. That is quite different from planning a program which is designed quite specifically to strengthen American schools and American teachers.

WORK WITH DEPARTMENT OF STATE

Now, actually, these projects have been developed jointly with the Department of State. We have worked with them in planning these. We have gone over them very, very carefully with the Department of State to make sure in the first place that they approved them, because it would be carried on overseas and we did not want to get into any difficulty on that score. Also, to make very sure that there

was nothing that could in any way be interpreted as a duplication of effort and we have a letter from the Assistant Secretary of State certifying to this.

Mr. FOGARTY. Put that in the record, too.

Mr. KEPPEL. We will. May I make a comment on this, Mr. Chairman?

(The letter follows:)

ASSISTANT SECRETARY OF STATE,
Washington, November 6, 1962.

HON. WAYNE O. REED,
*Acting Commissioner of Education,
Department of Health, Education, and Welfare.*

DEAR MR. COMMISSIONER: I have reviewed the program of seminars and study grants which the Office of Education proposes to submit to the Bureau of the Budget for fiscal year 1964 under authority of section 102(b)(6) of Public Law 87-256, and am glad to inform you that there appears to be no duplication of activity between that program and the programs planned for 1964 in the Bureau of Educational and Cultural Affairs.

Sincerely,

LUCIUS D. BATTLE.

IMPORTANCE OF PROGRAM TO U.S. SCHOOLS

Mr. FOGARTY. Certainly.

Mr. KEPPEL. If I may just add a comment about the importance of this kind of program for particular colleges and schools, I could speak a little better from personal experience in colleges.

If a college proposes to teach and do research in some area of the world in which the faculty has knowledge coming only from books, but not from personal visitation, we have found in my institution that we do not do as good a job as if the faculty has had personal experience in the country concerned.

To be specific for a moment, take an anthropologist who wishes to conduct research in that country. This is the question of getting the feel and taste of the situation, so when he comes back he is really competent to handle problems put in American colleges and universities by the AID or other oversea programs.

Specifically, at Harvard we felt we were not qualified for any faculty to take on programs in west Africa, particularly Nigeria, until a reasonable number of the members of the faculty who were really responsible for cooperating with AID over there and until they had been there, until they have had a long enough experience so that they knew what they were talking about from personal experience there. This is one of the arguments that seems to be very important in building the whole strength of our higher education as well as our secondary schools, in the teaching as well as research functions in these areas. It is part of the growth of the strength of American higher education.

Dr. CALDWELL. May I add to that, Mr. Chairman?

With your permission, I would like to give some examples—requests which we now have on file.

Mr. FOGARTY. Why do you not put them in the record?

Dr. CALDWELL. All right.

(The information follows:)

EVIDENCES OF NEED FOR THE PROGRAM AUTHORIZED BY SECTION 102(b) (6) OF THE
FULBRIGHT-HAYS ACT

A number of States, including New York, Pennsylvania, and California, have revised their elementary and secondary curriculums and now require language and area studies involving the non-Western as well as the Western World. Other States and many local communities are developing new programs which require teachers with a new kind of training. The State of California, alone, has indicated that it will need 2,000 more language teachers than are now in sight by 1965.

Many colleges and universities are trying to broaden their offerings in social sciences and the humanities to include Asia, Africa, and Latin America, but are stopped by a lack of trained personnel. Recently 17 public and private colleges in Kansas met to discuss this problem. Another meeting of liberal arts colleges in northern Illinois, at Wheaton College, discussed the same subject. Many colleges in most of the 50 States are active in this area, and have asked the Office for help it cannot now give. Examples of the activities of private colleges are two in Chicago, Loyola and St. Xavier, both active in international education, but needing help in the form of grants to academic personnel.

Many professional organizations, such as the American Association of Colleges of Teacher Education, and the Comparative Education Society, are actively seeking help in broadening the international aspects of American higher education.

Recently the Department of State announced that all future Foreign Service officers will be required to be expert in a foreign language. Estimates of the total Americans overseas range from 2 to 3 million. There is an urgent need for Americans in both public and private enterprises abroad who know the cultures and the languages of Asia, Africa, and Latin America.

(The following letters on this subject were subsequently received by the Committee:)

AMERICAN COUNCIL OF LEARNED SOCIETIES,
New York, N.Y., March 7, 1963.

HON. JOHN S. FOGARTY,
Chairman, House Committee on Appropriations for Departments of Labor and
Health, Education, and Welfare, House of Representatives, Washington D.C.

DEAR MR. FOGARTY: I have just learned that your committee has been conducting hearings on the appropriation of funds requested by the Office of Education under authority of section 102(b) (6) of the Fulbright-Hays Act for the fiscal year 1964 for three NDEA-related activities. I understand that the hearings on these important appropriations have closed, but I hope that it is not too late to express myself strongly in support of the funds requested.

When the National Defense Education Act first began to provide Federal support for language studies, it brought to public recognition a cause for which the American Council of Learned Societies had been working for many years. The ACLS, for example, pioneered in the application of modern linguistic science to the preparation of language teaching materials; it supervised the Army language program during the Second World War, the English for foreigners program, the program in oriental languages, and many other projects that stressed the importance of scholarly work in widely used and so-called exotic languages.

Moreover, the concept of organizing scholarly expertise around an area or cultural region grew out of ACLS work in oriental studies and language training. During the war, the practical need for such competence was apparent, and area studies were designed to meet it. Since that time, through its supervision jointly with the Social Science Research Council, of seven research grant and fellowship programs representing all of the non-Western areas of the world, the ACLS has been responsible for the training and research activities of large numbers of scholars now teaching in the Nation's language and area centers.

I mention these activities not only to indicate our satisfaction when the Fulbright-Hays Act authorized the Government to afford aid in developing language ability and knowledge of other cultures among American scholars, but also to demonstrate that I speak from experience and with confidence when I voice support for appropriations that will implement that act. The funds, if voted, will provide much needed support for foreign travel and study by faculty members of NDEA language and area centers; they will enable foreign

scholars to come to these centers to assist in teaching and research, and they will make it possible for future college teachers of non-Western languages and cultures to gain foreign experience at the most critical period in their formal education.

No single element in the preparation of teachers and students of foreign languages and cultures is so vital and so stimulating as intimate acquaintance and knowledge of the language in its indigenous setting, and the best way for them to acquire this is to spend 6 months to a year of residence and study in the country of their specialization. This truth has been brought home forcibly to the ACLS by its administration of Charles S. Merrill Trust and Mary Reynolds Babcock fellowships for high school teachers of modern foreign languages during the last 3 years. These teachers are returning to their classrooms not only refreshed in spirit but infinitely more capable of instilling in their students a feel for the spoken languages and the authentic cultures being taught.

I hope that someday the NDEA will be expanded to provide this rich experience for high school teachers, too. Meanwhile, however, it will be of enormous help in bringing the United States abreast of its national needs in language qualifications if the Congress appropriates the funds requested by the Office of Education for these three programs.

With all good wishes.

Yours sincerely,

FREDERICK BURKHARDT, *President.*

THE MODERN LANGUAGE ASSOCIATION OF AMERICA,
New York, N.Y., March 5, 1963.

HON. JOHN E. FOGARTY,

Chairman, House Committee on Appropriations for Departments of Labor and Health, Education, and Welfare, House of Representatives, Washington, D.C.

DEAR MR. FOGARTY: We in the Modern Language Association looked forward with hope and satisfaction when the Fulbright-Hays Act was passed to the aid it might afford in developing fluent language ability and sound learning of another culture among members of the faculties of the humanities and social sciences in our institutions of higher learning. The chance it seemed to afford also for graduate students preparing for teaching careers in these subjects was one of the most useful aspects of the bill.

Every private foundation source which we could tap for similar purposes in secondary education we have tapped, and during the past 3 years have succeeded by aid from a modest grant from the Merrill Trust to the American Council of Learned Societies to send nine promising high school teachers abroad. Their experience is being marvelously beneficial in the classrooms to which they have returned. But the effort fills only infinitesimally a need of grave national importance.

What a spur and incentive, as well as hard core practical benefit, would result from the appropriation of the funds requested by the U.S. Office of Education under authority of section 102(b)(1) of the Fulbright-Hays Act for the fiscal year 1964 for three National Defense Education Act related activities. The provisions of these proposed programs will make available badly needed support for (1) foreign travel and study by faculty members of the 53 National Defense Education Act language and area centers; (2) enabling foreign scholars to come to National Defense Education Act centers to assist in teaching and research; and (3) foreign experience for American graduate students at a critical point in their careers who will be tomorrow's college teachers of non-Western languages and cultures.

We simply must provide the Nation with this kind of opportunity for those engaged or about to be engaged in the teaching of non-Western languages. In this field we in the United States are still an underdeveloped country. The sums requested represent a small investment for the educational returns they will yield.

I regret I did not know of the hearings you were holding on this important appropriation, or I would have petitioned to appear and plead for your earnest consideration of this matter. Among other needs a patent one appears in increasing greatly our qualified teachers of Chinese, as the enclosures I attach herewith will demonstrate. We in the Modern Language Association have been working since 1957 to improve the national capacity for effective teaching in

this area. Five years hence we may wish we had redoubled every conceivable effort.

With all good wishes,
Sincerely yours,

GEO. WINCHESTER STONE, JR.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	8,080	8,767	10,677
Positions other than permanent.....	266	287	262
Other personnel compensation.....	29	-----	91
Total personnel compensation.....	8,375	9,054	11,030
12 Personnel benefits.....	591	657	800
21 Travel and transportation of persons.....	660	829	949
22 Transportation of things.....	4	8	8
23 Rent, communications, and utilities.....	267	321	423
24 Printing and reproduction.....	482	527	648
25 Other services.....	639	810	1,574
26 Supplies and materials.....	107	106	111
31 Equipment.....	113	93	100
Total costs.....	11,238	12,405	15,643
Change in selected resources.....	151	-106	618
Total obligations.....	11,389	12,299	16,261

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	1,099	1,153	1,298
Full-time equivalent of other positions.....	37	34	30
Average number of all employees.....	1,045	1,069	1,239
Number of employees at end of year.....	1,157	1,173	1,318
Average GS grade.....	9.2	9.2	9.2
Average GS salary.....	\$8,016	\$8,473	\$8,832

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Educational research and development.....	4,776	5,250	7,567
2. International education.....	342	458	776
3. Educational assistance programs.....	4,332	4,716	4,843
4. Program direction and services.....	1,788	1,981	2,457
Total program costs, funded.....	11,238	12,405	15,643
Change in selected resources ¹	151	-106	618
Total obligations.....	11,389	12,299	16,261
Financing:			
Comparative transfers from other accounts (-).....	-38	-----	-----
Unobligated balance lapsing.....	243	-----	-----
New obligational authority.....	11,594	12,299	16,261
New obligational authority:			
Appropriation.....	11,594	12,300	16,261
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (76 Stat. 728) (-).....	-----	-1	-----
Appropriation (adjusted).....	11,594	12,299	16,261

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$326,000; 1962, \$477,000; 1963, \$371,000; 1964, \$989,000.

PREPARED STATEMENT

Mr. FOGARTY. Next is "Salaries and expenses." We will put your statement in the record.

(The statement follows:)

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, our estimate for salaries and expenses for fiscal year 1964 amounts to \$16,261,000. This includes an increase of \$3,362,000 over 1963, taking into account the pending supplemental for the captioned films program. This total increase includes the sum of \$1,214,000 needed to adjust the appropriation base of the Office in 1964 for Pay Act costs and the annualization of positions initiated in 1963. Additional requirements for contract and other nonpersonal services, including the program for captioned films for the deaf, account for increases of \$1,030,000 in 1964. We are proposing to add 138 new positions in 1964 which would cost \$1,278,000. These increases are explained in some detail in the budget justifications and I will be happy to make some general remarks about the principal items of increase at this time.

The duties of the Office of Education in providing leadership in education are not properly represented by the small proportion of its budget which is available for program and administrative purposes. The Office faces growing responsibilities which it must be prepared to carry out. It, therefore, seeks added funds essential for it to discharge the following specific responsibilities.

RESEARCH AND DEVELOPMENT ACTIVITIES

Statistics

Among its principal activities, the Office administers a program of educational statistics which renders service to the profession of education—a service which is also of interest and concern to the Congress and the public. Much has been said recently about the statistics program of the Office and the steps that need to be taken to make it a more effective instrument for improving educational practice. May I add my voice to those who believe that the educational statistics program must play a vital and effective role in placing before the people pertinent facts about the condition of education and thereby foster wise and well-informed policies for education throughout the country. The President's budget lists the educational statistics program as one of the principal statistics programs of the Federal Government and points out that the program ranks 13th in size among 19 such programs. The educational statistics program is now only a fraction of the size of programs established for agricultural reports, health statistics, labor market statistics, mineral statistics, and many others.

These comparisons, of course, tell only a part of the story since the statistics program of the Office relies heavily on the reporting agencies in the States and in the thousands of colleges, universities, and private institutions which report voluntarily to the Office of Education. One of the main tasks of the Office is to coordinate the statistics gathering function and to introduce, to the extent possible, uniformity in definitions, reporting, and tabulation of statistics. As I am sure this committee is well aware, the Office is striving to improve the data-gathering processes and to reduce the great lag that exists between the occurrence of educational facts and their publication in statistical form.

Moreover, the Office needs the constant advice and counsel of professional and other groups as to the scope and direction of the statistics program. This is being achieved in the current year through an Advisory Committee on Educational Statistics to the Office of Education which has the special purpose of appraising the adequacy, scope, and direction of the program.

We are seeking an increase in the budget for the statistics program for fiscal year 1964 amounting to some 30 positions and \$422,000. This increase in the staff of the Educational Statistics Division in the Office of Education should enable us to advance toward the necessary improvements which are already clearly identified. To this end we have proposed 30 new positions, as follows: 11 positions for 3 pilot projects in the development of a national system of basic educational information (public school teachers, higher education faculty, and public school facilities); 11 positions to strengthen the production phases of the statistical program; 5 positions to advance further the State statistical services; and 3 positions for the improvement of the statistical data pertaining to existing

special training for the mentally retarded. An amount of \$108,000 is requested for machine tabulation to increase the output of various statistical calculations and development of universe estimates from samples surveyed via questionnaires.

With these additional positions and funds, the Office expects to expedite work already started for improving statistical methods. In cooperation with the agencies which report to us, we have selected the three areas of information already mentioned where new techniques will be employed to get at the current facts about education, quickly and accurately. The prompt gathering of information, of course, lies at the heart of any assessment of educational progress. With this in mind, we are using the position increases available to us this year and proposed for next year to convert statistical information to automatic data processes. In this way information which is recorded in the field can be rapidly transmitted to the Office of Education by using punched cards and tapes, thereby bypassing the cumbersome process of compiling information on questionnaires for hand tabulation and analysis. It is possible to work in this direction now largely as the result of the improvements which have been brought about in statistical programs in the States with assistance provided by title X of the National Defense Education Act.

An example of recent improvement is illustrated by the inclusion this last year in our regular fall survey of information on school enrollment by grade levels which accelerates by 1 full year the publication of this important information.

Another example is the use of machine processes for compiling a regular survey of opening fall enrollments in higher education. This was accomplished by automatic data processing which permitted a saving of 1,000 man-hours of editing and the publication of these important facts earlier in the year and in greater detail than has previously been possible.

A new publication of the Office of Education, the Digest of Educational Statistics, has proved a handy reference work for persons who seek the latest available facts on education, and I call this publication to the committee's attention.

We are proposing by the use of modern machine methods to reduce the unacceptable delay that now exists in the publication of statistics needed by the Congress and the public. We trust that this committee will accept the proposals which have been set before you for these urgently needed improvements.

Educational research

Another important aspect of the Office program for research and development is the administration of funds which are appropriated by the Congress for studies in education by colleges and universities and by State departments of education. As I have earlier stated, the President's budget and his program for education in fiscal year 1964 call for a rapid buildup in the funds available for cooperative research in education. Since the substantive case for the appropriation of these funds has been presented I would like to comment now on the needs for staff properly to administer this program.

We have received this year some 610 project proposals, of which about 28 percent or 170 will be approved and eventually negotiated by the Office of Education staff. This workload is approximately 50 percent greater than the workload of the previous fiscal year (1962) and is almost double the workload of our staff in fiscal year 1961. Nevertheless, the staff available to the Office of Education to handle this workload in fiscal year 1963 remains unchanged and we are facing another substantial increase in project proposals to be received in fiscal year 1964. We must anticipate that some 1,000 project proposals will be received next year and about 290 of these projects must be negotiated following approval.

To handle this sizable increase in work, part of which will be carried forward from 1963, the Office of Education seeks 16 new positions in fiscal year 1964 to receive, process and negotiate projects. I am sure that the committee will appreciate the necessity of careful staff work in the approval, negotiation, and followup of these projects to insure that the research is done expeditiously and that the results are made available for improvement of education as soon as possible.

Other increases totaling 14 positions relate to the initiation of a journal on educational research (4 positions), the strengthening of our Media Demonstration Center (3 positions), the establishment of an Educational Research Information Center (4 positions), and editorial services in the Office of the Associate Commissioner.

The budget provides for the full amount authorized to produce captioned films for the deaf (\$1,500,000) an increase of about \$600,000. Other increases in funds include \$50,000 for computer services related to the Educational Research Information Center.

Elementary and secondary education

Our budget proposals in the area of elementary and secondary education call for new positions to promote work by the Office of Education on problems involving mentally retarded children, on difficulties being encountered in urban areas, and the special needs of disadvantaged children. I agree heartily that the Office of Education should have a high interest in those areas of education where special problems emerge and solutions need to be found which no one school system by itself can be expected to solve unaided. We see all around us the evidence that the schools are faced with problems which actually originate in the community rather than in the classroom. A special function of the Office of Education is to help the schools find ways to cope with problems which are not necessarily educational in origin but for which educational solutions are needed. A symptom of these problems is the so-called dropout who now represents about 40 percent of our students beyond the fifth grade. The chart which is attached to this report shows that this country is losing the school attendance each year of more than 1 million pupils who fail to continue their schooling through high school—a loss that cannot be sustained without great harm to society.

Large cities are confronted with distinctive educational problems which impinge upon both school organization and administration and instruction. To improve administration we need to know more about demographic movements and their implications for schools and we need more information about ways to retain adequate staffs of well-qualified teachers. Four new positions are requested for this purpose.

In the area of instruction we propose to assist cities with the problems of education of the culturally disadvantaged child. We plan to increase the knowledge of methods and techniques effective in meeting the problems of disadvantaged children, and to devise programs directed at increasing the holding power of the school and preventing school dropouts. Four new positions are requested in fiscal year 1964.

In addition, an intensive study will be made of educational programs for mentally retarded youth. An analysis will be made of curriculums for the mentally retarded from the nursery school age level to the adolescent or young adult. These activities will require three new positions.

Higher education

It is obvious that the problems of higher education are of special concern to the Office of Education at this time. Our institutions of higher education are about to be overwhelmed by enrollments which are beyond their capacity to absorb without major changes. One of the duties of the Office of Education is to give timely and helpful advice to higher education institutions on ways of coping with their problems and of assessing the impact of the fast changes that are taking place.

For example, we are proposing to undertake a special study involving the improvement of higher education programs for preparing elementary and secondary teachers. Four positions are requested for the special effort we propose to make in this area. The teacher is, of course, a key factor in the attainment of a quality education for all. We propose to provide support for research and demonstration activities through the cooperative research program and to provide the necessary advisory and liaison activities to institutions of higher education.

Another study involves the analysis of the economic return of higher education to our economy and the relationship of higher education programs to the economic development of our resources. Four new positions are included to undertake this study which will also include an analysis of the ways in which higher education is to be financed.

Continuing education and cultural affairs

The Office of Education is responsible for activities involving adult education and is assuming new leadership in education for the arts and related cultural activities.

It is unnecessary to elaborate to this committee the events that are taking place in society which make it clear that education is no longer to be looked upon as merely 12 or 16 years of formal schooling. With the rapid rate at which our society is producing new information, and with the rapid changes in our culture, a special concern of the Office of Education involves adult education programs. This accounts for four new positions which have been added to the budget for fiscal year 1964.

The tremendous surge of interest in the arts and humanities is another development which concerns the Office of Education and for which six new positions are proposed to activate the new Division Office and the Cultural Affairs Branch.

INTERNATIONAL EDUCATION

The Office of Education has been assigned responsibility for administering newly authorized grants under the Fulbright-Hays Act of 1961. Section 102(b) (6) of this law makes special provisions for improving foreign language instruction in our schools by authorizing grants for teachers and scholars to study abroad. This new dimension in our national program for updating instruction is a responsibility which provides a much-needed opportunity for American teachers to improve their competence. Twelve new positions are needed to handle the several thousand applications and the 450 grants to be made under this program.

I hope that the committee will look favorably on our request for six new positions to meet workload increases in comparative education and to service the foreign students coming to American universities. Some 60,000 foreign students now come to American colleges each year, and this number is rapidly growing. The Office of Education has responsibility for aiding colleges in evaluating the credentials of foreign students and thereby assists in their proper selection and placement. The Office's role in evaluating educational developments throughout the world is a very important function. This program needs to be strengthened and broadened. Funds are included to add \$100,000 for contract studies in educational developments abroad.

PROGRAM DEVELOPMENT AND SERVICES

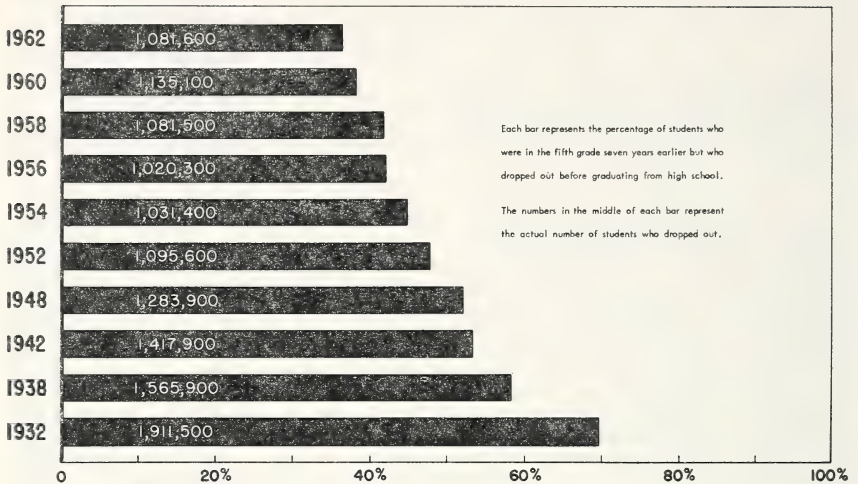
Increases requested under this head involve 31 new positions which are related to the management services of the Office of Education and these naturally need to be strengthened as the workload of the Office is increased.

A special part of this increase involves 13 positions for the professional library, which has been located centrally in the Office of the Secretary. As set forth in the Department's budget justification the partial decentralization of this library to the Office of Education involves a general Department plan for the improvement of services to the professional staff. The committee may recall that the education collection is the largest specialized collection in the library and is also the oldest collection. The maintenance of this collection has deteriorated and a substantial backlog of uncataloged materials has developed because of inadequate staff. Attention needs to be given to the improvement of current reference material and to the more effective use of the information by its transfer to the building which now houses most of the Office headquarters' staff at 400 Maryland Avenue SW.

I thank the committee for its patience in permitting me to make these statements on behalf of the operating budget of the Office of Education. I would be very grateful for suggestions the committee might have as to how the Office should improve its services and I welcome your comments and questions.

HIGH SCHOOL DROPOUTS

1932 - 1962



NEW POSITIONS

Mr. FOGARTY. The appropriation for 1963 is \$12,300,000 and the request for 1964 is \$16,261,000, an increase of \$3,961,000 and 145 positions.

Will you supply for the record a breakdown of all of these positions by title and grade?

Mr. KEPPEL. Yes.

Mr. FOGARTY. Titles and also an explanation of the need of each?

Mr. KEPPEL. Yes, sir.

(The breakdown follows:)

New positions in 1964

Title	Grade	Number	Explanation of increases
EDUCATIONAL RESEARCH AND DEVELOPMENT			
Office of the Associate Commissioner:			
Assistant to program review officer.....	GS-12.....	1	Administrative and editorial work-load.
Editorial assistant.....	GS-9.....	1	
Secretary.....	GS-5.....	1	
Total.....		3	
Division of Educational Statistics (30 positions):			
Basic data system:			
Office of Director: Project coordinator..	GS-15.....	1	11 positions for 3 pilot projects in the development of a national system of basic educational information (public school teachers, higher education faculty, and public school facilities).
Studies and Surveys Branch:			
Specialist (certification personnel statistics).....	GS-14.....	1	
Specialist (schoolhousing statistics).....	GS-14.....	1	
Specialist (higher education faculty statistics).....	GS-14.....	1	
Assistant specialist.....	GS-12.....	1	
Secretary (stenography).....	GS-5.....	2	
Field programs:			
Specialist for educational data processing.....	GS-14.....	1	
Specialist for educational data processing.....	GS-13.....	1	
Assistant specialist for educational data processing.....	GS-12.....	1	
Secretary.....	GS-4.....	1	
Total.....		11	
Standards and processing:			
Supervisory statistical officer.....	GS-11.....	1	11 positions to strengthen the production phases of the statistical program.
Statistical officer.....	GS-9.....	1	
Statistical assistant.....	GS-7.....	4	
Statistical clerk.....	GS-5.....	1	
Statistician (editing procedures).....	GS-13.....	1	
Digital computer programmer.....	GS-12.....	1	
Digital computer programmer.....	GS-11.....	1	
EAM project planner.....	GS-7.....	1	
Total.....		11	
Field programs:			
Program specialist, State systems.....	GS-14.....	1	5 positions to advance further the State statistical services.
Program specialist, higher education systems.....	GS-14.....	1	
Program specialist, State systems.....	GS-13.....	1	
Secretary.....	GS-4.....	1	
Secretary.....	GS-5.....	1	
Total.....		5	
Mentally retarded:			
Studies and Surveys Branch:			
Project coordinator.....	GS-13.....	1	3 positions for the improvement of the statistical data pertaining to existing special training for the mentally retarded.
Statistician.....	GS-11.....	1	
Secretary.....	GS-4.....	1	
Total.....		3	
Division of Educational Research (27 positions):			
Cooperative research:			
Research coordinator.....	GS-14.....	2	16 positions to support the expansion of the cooperative research program.
Reports officer.....	GS-14.....	1	
Coordinator curriculum.....	GS-14.....	1	
Contract officer.....	GS-12.....	1	
Research assistant.....	GS-11.....	3	
Program officer.....	GS-11.....	1	
Secretary.....	GS-5.....	4	
Secretary.....	GS-4.....	3	
Total.....		16	
Journal and workload:			
Research coordinator.....	GS-14.....	1	4 positions to initiate a "Journal of Educational Research and Practice" to help reduce the time lag between research findings and their implementation.
Dissemination officer.....	GS-13.....	1	
Secretary.....	GS-5.....	2	
Total.....		4	

New positions in 1964

Title	Grade	Number	Explanation of increases
EDUCATIONAL RESEARCH AND DEVELOPMENT—continued			
Division of Educational Research etc.—Con.			
Educational Media Demonstration Center:			
Production planning and development specialist.....	GS-12	1	} 3 positions to expand the Educational Media Demonstration Center.
Secretary.....	GS-6	1	
Electronic equipment technician.....	GS-5	1	
Total.....		3	
Research Information Center:			
Chief, Educational Research Information Center.....	GS-15	1	} 4 positions to establish an Educational Research Information Center.
Research specialist for analysis and interpretation of research inquiries.....	GS-12	1	
Secretary.....	GS-6	1	
Clerk-typist.....	GS-5	1	
Total.....		4	
Division of Elementary and Secondary Education (11 positions):			
Project Disadvantaged:			
Project Director.....	GS-15	1	} 4 positions to initiate Project Disadvantaged, a concerted attack on the problem of the economically deprived pupil.
Elementary school programs specialist.....	GS-14	1	
Secretary (stenography).....	GS-6	1	
Do.....	GS-5	1	
Total.....		4	
Urban schools:			
Specialist, urban problems.....	GS-14	2	} 4 positions to strengthen study and consultation in the distinctive organizational and administrative problems of large urban school systems.
Research assistant.....	GS-11	1	
Secretary (stenography).....	GS-6	1	
Total.....		4	
Mentally retarded:			
Specialist, mentally retarded.....	GS-14	1	} 3 positions to conduct intramural studies in the area of the mentally retarded.
Research assistant.....	GS-11	1	
Secretary.....	GS-5	1	
Total.....		3	
Division of Higher Education (4 positions):			
Economics of higher education:			
Specialist for the economics of higher education.....	GS-14	1	} To carry forward studies and publications program of economics and finance of higher education.
Specialist for financing public higher education.....	GS-13	1	
Research assistant.....	GS-7	1	
Secretary.....	GS-5	1	
Total.....		4	
Division of Continuing Education and Cultural Affairs (10 positions):			
Office of the Director:			
Division Director.....	GS-15	1	} 3 positions to staff the Office of the Director.
Executive officer.....	GS-14	1	
Secretary.....	GS-6	1	
Total.....		3	
Adult education:			
Specialist for adult education.....	GS-14	2	} 4 positions to strengthen studies and consultation in education for the aging and basic literacy education.
Administrative assistant.....	GS-5	1	
Secretary-stenographer.....	GS-5	1	
Total.....		4	
Cultural affairs:			
Branch Director (specialist for education in the arts).....	GS-15	1	} 3 positions to support Project the Arts and initiate a systematic study of education in the arts.
Museum education specialist.....	GS-13	1	
Secretary.....	GS-5	1	
Total.....		3	

New positions in 1964

Title	Grade	Number	Explanation of increases
EDUCATIONAL RESEARCH AND DEVELOPMENT—continued			
Project Teacher Education (4 positions):			
Specialist for Project Teacher Education.....	GS-15	1	} 4 positions to stimulate research, administer research contracts, and maintain cooperative relationship with States and organizations for the improvement of teacher education.
Research assistant.....	GS-11	1	
Secretary.....	GS-5	1	
Specialist for inservice teacher education.....	GS-14	1	
Total.....		4	
Total, educational research and development.		89	
INTERNATIONAL EDUCATION			
Foreign language and area studies:			
Educational exchange programs:			
Program officers.....	GS-13	6	} 12 positions for development of programs involving study and research grants for American and foreign teachers, language seminars and institutes conducted in foreign countries.
Stenographers.....	GS-4	6	
Total.....		12	
Comparative education:			
Comparative education specialists.....	GS-13	2	} 6 positions to expand comparative education studies and to strengthen the credential evaluation service.
Specialists for credential evaluation.....	GS-13	3	
Stenographers.....	GS-4	3	
Total.....		6	
Total, international education.....		18	
PROGRAM DIRECTION AND SERVICES			
Office of the Commissioner:			
Special assistant to Commissioner.....	GS-15	1	} 3 positions for special assistance to Commissioner of Education.
Research assistant.....	GS-11	1	
Secretary.....	GS-6	1	
Total.....		3	
Office of Education Library:			
Director.....	GS-13	1	} 13 positions for establishment of Office of Education Library.
Librarian (reference).....	GS-11	1	
Cataloger.....	GS-9	1	
Bibliographer.....	GS-9	1	
Library assistants (2 catalog, 1 reference).....	GS-7	3	
Secretary.....	GS-5	1	
Secretary.....	GS-4	3	
Clerk.....	GS-3	2	
Total.....		13	
Office of Information:			
Writer.....	GS-13	1	} 2 positions for increased demands for special reports, articles, speeches, and editing of publications.
Editorial clerk.....	GS-7	1	
Total.....		2	
Office of Administration:			
Personnel: Training officer.....	GS-9	1	} 6 positions for increased workload in the areas of fiscal, auditing, personnel, and mail service.
Audit: Auditor.....	GS-11	2	
Fiscal:			
Accountant.....	GS-7	1	
Clerk-typist.....	GS-4	1	
Administrative services: Mail room reader..	GS-4	1	
Total.....		6	
Office of Program and Legislative Planning:			
Assistant program officer.....	GS-9	2	} 5 positions for workload in legislation, program planning, and liaison and long-range planning with other Federal agencies that administer educational programs.
Legislative materials aid.....	GS-7	1	
Secretary.....	GS-6	2	
Total.....		5	

New positions in 1964

Title	Grade	Number	Explanation of increases
PROGRAM DIRECTION AND SERVICES—continued			
Office of Field Services:			
Program assistant.....	GS-13	2	2 positions for regional representation in New York and Chicago.
Total, program direction and services.....		31	
Total positions, 1964.....		138	
Supplemental positions requested in 1963 supplemental:			
Program specialist (research and training).....	GS-14	1	} 7 positions to administer the expanded program for the captioned films for the deaf.
Program specialist (production).....	GS-12	1	
Research assistant.....	GS-11	2	
Secretary.....	GS-5	3	
Total.....		7	

ABSORPTION OF PAY COSTS

Mr. FOGARTY. I see you are absorbing all the Pay Act costs in 1963 even though Congress cut your request.

Mr. HUGHES. That is right, sir.

Mr. FOGARTY. In the Labor Department they hardly absorbed any.

Mr. HUGHES. Of course, the explanation is, the Secretary did interpret the Bureau of the Budget directive as requiring those agencies which had a potential for absorption of the Pay Act cost to absorb as much as possible through attrition and the nonfilling of vacant positions. The Office did happen to be caught in the unfavorable position of being between Commissioners of Education at the time this occurred and for that reason a number of high-level positions in the Office happened to be vacant. The vacancies in those jobs, of course, precluded the filling of some clerical jobs.

Mr. FOGARTY. How many high level positions do you have vacant? You do not have many high-level positions vacant, do you?

Mr. HUGHES. I think the high-level positions in GS-14 and GS-15 which at this time are not filled on a permanent basis would number approximately 55.

Mr. FOGARTY. Well, the Secretary of Labor received the same instructions as the Secretary of Health, Education, and Welfare received. It seems to me that after the Congress cut your budget, they wouldn't make you absorb all these increased costs, too.

In 1963 you were able to cut back from what Congress allowed and that was a cut from the request; now you are asking for more than a 30-percent increase in 1964.

REASONS FOR REQUESTED INCREASE IN 1964

Give us the main reasons for that increase for 1964.

Mr. HUGHES. If I might just break down the amount of \$3,362,000 which is the total net increase; \$1,214,333 of this is an adjustment of the fiscal year 1964 base to take account of the fact that we are restoring the amounts that are absorbed in fiscal 1963 for pay act costs and for the annualization of new positions that were started in 1963.

There are 138 new positions in fiscal 1964 which, in terms of their salaries and related dollar costs amount to \$1,277,935. This number is taking into account the supplemental of 7 positions in fiscal 1963 which adjusts the increase from 145 down to 138. There are other categories amounting to \$1,030,250 in fiscal 1964 made up of contract and other services such as the increase in amount needed for the maximum on the captioned films for deaf program of \$612,000; machine tabulation, amounting to \$108,000; research contract services of \$150,000; printing costs of \$80,000; rental of space, \$71,970; cost of training, \$5,400, and payroll costs, \$2,000.

In other words, the main item of increase is the 138 positions amounting to \$1,277,935, but I would like to make the record clear on the point that we are not associating \$3,362,000 with 138 new jobs. There are offsetting decreases amounting to \$160,518 for items such as the liquidation of the panel on vocational education.

SUPPLEMENTAL REQUEST FOR CAPTIONED FILMS

Mr. FOGARTY. You do have pending a \$600,000 supplemental for the captioned films for the deaf program. What do you plan to do if this is granted? What is the program?

Mr. FLYNT. Plans are in place for processing of the additional authorizations and the amendments to the program.

Mr. FOGARTY. Those are new amendments?

Mr. FLYNT. Yes, sir, they are new amendments to make training films and carry on other activity.

Mr. FOGARTY. Did you make a request last year for a supplemental?

Mr. HUGHES. Yes, we supported a supplemental which was lost in the final days. The breakdown of the supplemental is as follows: \$230,000 for production of educational films; \$175,000 for general interest films; \$108,760 for research and training, \$6,440 for distribution; \$47,800 for production and \$32,000 associated with seven positions for administration.

Mr. FOGARTY. Those were the seven positions you mentioned?

Mr. HUGHES. Yes.

RESTORATION OF 1963 SAVINGS

Mr. FOGARTY. Your increases are set forth in page 67. What is this first one, "Restoration of savings in 1963—\$425,000"?

Mr. HUGHES. That is the pay act costs which I mentioned we did absorb in fiscal 1963 because of the nonfilling of vacant positions and we are asking for the restoration of that as a nonrecurring item.

Mr. FOGARTY. Why do you have it under the heading, "Mandatory"?

Mr. HUGHES. I guess this is format. It is not mandatory in the sense that it must be done.

Mr. FOGARTY. It was not "Mandatory" in 1963.

Mr. KELLY. No, but the concept that we have used, Mr. Chairman, is that if at the end of the year employment that we predict in 1963 is realized, and it is intended to carry that for a full year in 1964, this is what it would cost. To calculate the cost of carrying the staff we expect to have in June of this fiscal year, you would have to add to the available resources this much money in order to make it possible to do that.

Mr. HUGHES. That's right.

STUDY ON YOUTH FITNESS

Mr. FOGARTY. In page 85 you say that you made a nationwide study for the President's Committee on Youth Fitness. What kind of study was that?

Mr. FLYNT. The request of the President's Committee on Youth Fitness, Mr. Chairman, was made by Mr. Wilkinson to make a special survey of the standard of physical fitness achieved in schools. They selected a group of 1,200 schools and this was completed within 2 months for the White House and the results furnished. The purpose was to ascertain whether or not schools were meeting the general standard of physical fitness thought to be adequate and proper.

Mr. FOGARTY. They were not, were they?

Mr. FLYNT. No, sir; they weren't.

Mr. FOGARTY. How much did it cost?

Mr. FLYNT. They were supplied services. We received no funds from the White House. We did it ourselves.

Mr. KELLY. Let us supply the cost.

Mr. FOGARTY. Will you supply that?

(The information follows:)

Costs to the Office of Education of conducting the "Survey of School-Centered Physical Fitness Testing Programs, 1961-1962"

Personnel services:

Educational statistics branch-----	\$2,500
State and local school systems division-----	2,010
General services section-----	250

Total-----	4,760
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Machine costs of drawing the sample-----	350
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Postage-----	250
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Reproduction:

Printing the questionnaire-----	75
Dittoing tables-----	25

Total-----	100
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Total cost to the Office of Education-----	\$5,460
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Mr. FOGARTY. Did you get any reimbursement from the committee?

Mr. FLYNT. No, sir.

Mr. KEPPEL. I have a letter from Mr. Wilkinson having to do with travel funds now in the amount of \$3,000 and ending with a note of appreciation for the cooperation.

Mr. FOGARTY. We have had this same problem before with all these committees and commissions that have been set up and the regular departments and agencies been required to pick up the cost. We think they should be set out in the budget and paid for directly so everyone can know how much it is costing. Not only this study, which is a very small item, but in general for all these special committees and other groups.

What was the school housing survey you made for the Civil Defense Administration, page 86?

Mr. FLYNT. We received an urgent request from the Office of Civilian Defense to make an exhaustive survey of the location, character of school housing according to certain geographical indices and re-

ceived a warranted transfer of approximately \$215,000 in current fiscal year for the cost. This is an emergency job.

Mr. FOGARTY. They paid for it?

Mr. FLYNT. They paid for it in its entirety and are supplementing it with an additional amount—with additional funds for great elaboration of the survey.

Mr. FOGARTY. You do not have anything in your budget for civil defense activities?

Mr. KEPPEL. Not in this sense.

Mr. FOGARTY. In any sense?

Mr. HUGHES. No, sir. There are no requests for funds in the Office of Education.

Mr. KEPPEL. I thought the chairman was referring to the fact that you have a staff member who is collaborating with the Office of Civil Defense.

Mr. HUGHES. These services are compensated by transferred funds from the Office of Civil Defense.

Mr. KELLY. There is nothing in our budget.

SCIENCE CLUB PROGRAM

Mr. FOGARTY. The committee was impressed a few years ago by the so-called science clubs program. Is there anything new or worth reporting?

Mr. KEPPEL. I do not feel—I just started reading into that. May I ask Mr. Flynt?

Mr. FLYNT. In the enabling act it directed us to do essentially two things—to provide certain services to States in the development of science clubs and to seek—in effect, directed us to proceed to establish a national science club organization, in the words of the act, similar to the Future Farmers of America. We have received, I believe, less than \$50,000 annually for the services and we have had two staff members working out the problem of rendering services to States and organization of school-oriented science clubs.

The second task is attempting to bring together a rather disparate group of people who are concerned with the development of science clubs, both within the schools and without the schools. Science clubs within and without the schools have not succeeded in bringing the schools together in any workable combination, Mr. Chairman.

Mr. FOGARTY. What is the problem?

Mr. FLYNT. There are long-continued groups such as the group of science teachers sponsored by the National Education Association who have sponsorship of certain activities. They are outside groups—science service—which has sponsored community-type science fairs within the school—usually by the newspaper and other sponsorship. These people have not seen fit to merge their identity in a united organization.

Mr. FOGARTY. Do you think we ought to cut this appropriation out?

Mr. FLYNT. The services to the States, Mr. Chairman, in giving them some leadership and help in sponsoring science clubs activities in the schools is an essential and very effective portion of the activity. The actual amount of staff time and services rendered in the second task—

Mr. FOGARTY. Would this be in high schools?

Mr. FLYNT. Yes. The activity—the staff activity related to attempting to bring together larger groups, of course, is minimal in time, although intense when engaged in. The appropriation, however, if withdrawn would make it impossible for the Office of Education to continue to render service.

Mr. FOGARTY. Are you trying to get these groups together? Are you the fellow responsible? Or is the Commissioner?

Mr. KEPPEL. I am the one who is going to be responsible for deciding whether to give it up. I read the reports and I am a little discouraged at the moment, Mr. Chairman, but I haven't made up my mind.

Mr. FLYNT. My own judgment—it is, in my judgment impossible, however—the Congress has directed us to attempt to do it and as long as that directive stands, I think we are entitled to work at it.

Mr. FOGARTY. We have a new Commissioner of Education now. That might make some difference.

Mr. FLYNT. We have not pressed him since he only had time to hear about the controversy.

Mr. KEPPEL. He is willing to be pressed. So far I have only read the background.

JUVENILE DELINQUENCY

Mr. FOGARTY. Will you submit for the record what you are doing in the field of juvenile delinquency?

Mr. HUGHES. Yes, sir.

(The statement follows:)

JUVENILE DELINQUENCY PROGRAM

OFFICE OF EDUCATION

Activities of the Office of Education in the area of juvenile delinquency focus primarily on the preventive aspects of the problem. These activities are in the areas of school social work, guidance, and counseling, and exceptional children and youth. The Office has also contracted with universities and State education agencies for the conduct of cooperative research projects dealing with antecedent problems of juvenile delinquency and the educational contribution to the prevention of juvenile delinquency. In addition, through the provisions of Public Law 87-274, the Office is providing consultative services to State and local agencies for the development, implementation, and evaluation of projects for the prevention and control of juvenile delinquency.

School social work, through its services to pupils and their families, contributes effectively to this area. During fiscal year 1963 basic information was collected on school social work programs throughout the Nation. A bulletin, "New Perspectives in School Social Work," now being edited, has been developed by the Office to assist personnel in this field. Specifically, the bulletin deals with transition social work services, current social work problems in education, present practices in school social work, support for school social work, visiting teacher programs, relationship of education and social work, and the future of school social work. National dissemination of this information will take place in fiscal 1964.

One of the antecedent problems which contributes to the growth of juvenile delinquency is the flow of culturally different pupils from depressed rural areas into the large cities. These educationally disadvantaged youth constitute the majority of our dropout and delinquency-prone youth. Late in fiscal 1962, the Instructional Programs Branch of the Office held two conferences devoted to the educational problems of the culturally different. The first conference consisted of reports of 10 promising school programs; the second addressed itself to the key problem of teaching language arts to the educationally disadvantaged.

Reports of both conferences will soon be published in bulletin form. During fiscal years 1963 and 1964 the Office will use these bulletins as means for disseminating information to State and local school systems, to aid them in devising improved programs and practices for the culturally different.

The Guidance and Counseling Programs Branch of the Office in fiscal 1963 completed a study to identify and describe specific programs, services, and practices which have been found to be effective in preventing delinquency and alleviating conditions which contribute to delinquency in selected geographical areas of the United States..

Statistical information about special school programs for children who are emotionally disturbed and those who are socially maladjusted, and some of the educational resources made available to serve these children are included in several broad studies being conducted by the Education for Exceptional Children Branch of the Office. The following are examples of some of the recent and ongoing studies of this type. Information about the numbers of children being served in special residential and local school programs and their teachers is being collected for the 1961-62 school year. Preliminary data is being compiled on the number of colleges and universities offering special teacher preparation during the same school year. Information about State financial provisions to assist local schools conducting special education programs for these and other exceptional children is in the process of being verified, and preliminary data is available on State certification standards for special teachers and provisions in State education laws affecting these children.

Two broad areas have been selected for special emphasis in fiscal year 1964—education problems of urban schools and disadvantaged children—will complement and strengthen undertakings in the field of juvenile delinquency. For example, a proposed study of existing special programs for disadvantaged children may have important implications for the field of juvenile delinquency. Similarly, many aspects of urban educational problems are closely related to delinquency problems.

Cooperative research activities

The cooperative research program has continued its support of extramural research projects designed to increase knowledge about the problems involved in juvenile delinquency, and the role which the school can play in alleviating the problem. To date a total of 20 contracts have been written for projects in this area. Four of these projects were initiated during the past year. Brief descriptions of the objectives of these new projects are as follows:

Dr. Lambert, of the California State Department of Education, is studying the value of the social case history, psychodiagnostic testing and psychiatric appraisal in the prediction of school adjustment. Conceptual models used by clinicians in making qualitative judgments which are predictive of school adjustment will be analyzed, defined operationally, and prepared in the form of procedures. These procedures will be used by the school social workers, psychologist, and child psychiatrist in diagnosing school learning and adjustment problems of children referred.

Another study is concerned with the academic aspirations and school adjustment of eighth-grade boys and girls. This study is being conducted by Dr. Paul Wallin, of Stanford University. The major objective of the study is to determine the differences in adjustments which are related to the social class composition of the schools, and to the children's own social class backgrounds.

A study designed to be of value in the area of juvenile delinquency is concerned with what factors appear to result in effective educational motivation. The director, Dr. Litwak, of the University of Michigan, is focusing his effort on the problem of those conditions which seem to interact between the school, family, and neighborhood, and which appear to account for the variation in a student's educational motivation and school behavior.

Dr. John Moge, of Vanderbilt University, is undertaking a project aimed at evaluating the effect of urban renewal projects (forced movement from homes) on children. In general, he plans to analyze the effects of mobility on the "family pattern," and in turn, determine how these patterns affect educational aspirations and attainment of children.

Further information about delinquency will be forthcoming in the near future from projects that are still underway. For example, one investigator, dealing with various characteristics of behavior displayed by delinquents, will examine the responses of parents and teachers to delinquent behavior, in order to determine the extent to which these responses may cause further delinquent be-

havior. Another study seeks information about the effect of antagonizing behavior and rejection of one's peers on the mental health of an individual.

There are two studies in process which are designed to evaluate existing school programs for the prevention of delinquency. One is the higher horizons program for underprivileged children, and the other is the all-day neighborhood schools. Both programs are providing experiences beyond those found in the normal school curriculum.

Completed cooperative research reports are made widely available through the Documents Expediting Service of the Library of Congress and through the Photoduplication Service of the Library of Congress. In addition, monographs reporting findings of particular interest are published by the Office of Education.

Special attention should be drawn to a new publication within the Cooperative Research Monograph Series. This monograph, entitled "Role of the School in Prevention of Juvenile Delinquency: A Research Symposium Sponsored by the Office of Education and Phi Delta Kappa" will shortly be available for distribution.

In fiscal year 1964, a new area of emphasis, learning disorders, will be added to other areas of special concern under the cooperative research program. Greater emphasis will be placed on research in the learning process with special attention focused on the problem of dropouts and juvenile delinquents. Research development activity will be encouraged in order to examine patterns of research that have emerged to summarize important findings, and to encourage further research where it is needed. Demonstrations are proposed of procedures, processes, and promising practices that are emerging. A research program is planned which will provide a long-term commitment of a research staff and an institution to basic research and to the translation of such research into programs that can be tried out and evaluated.

STAFF FOR IMPACTED AREAS PROGRAM

Mr. FOGARTY. There is no decrease in connection with the staff that administers Public Laws 815 and 874?

Mr. HUGHES. No, sir. To a large extent and perhaps fully we feel justified in the continuation of that staff, because of the work that would carry over from fiscal 1963 into fiscal 1964 regardless of the termination of the law. The expectation in terms of past experience, of course, is that the Congress will extend the laws and the administration has recommended such extension. This causes us to request the retention of staff at the current level.

IMPROVEMENT OF EDUCATION STATISTICS

Mr. FOGARTY. You have indicated in your statement the need cited by this committee for major improvements in the educational statistics program. On the basis of your experience thus far, can you tell us more specifically what improvements, in your judgment, are needed for the purpose of policy development and educational practice and how you propose to make the improvements and whether the Office of Education has the capacity for achieving the improvements?

Mr. KEPPEL. Mr. Chairman, I would be grateful for the chance.

I would like to speak for a few minutes on the topic. I will not take too long.

Mr. FOGARTY. Go right ahead. I think this is important and I think we should have a clear record on it that we all can understand.

Mr. KEPPEL. Yesterday I spoke very briefly to my understanding of the problem, in general terms, of statistics in relation not only to the formation of the policy by the Congress, but also as a service to the field. I would like to get more specific and suggest—some actual examples of the kind of materials that would seem to be useful to

show what can be done, even though these are only a few examples. I think they might be useful as a starter.

Mr. FOGARTY. The comparison was made—when the Secretary was before the committee—between the Bureau of Labor Statistics and how they collect statistics, compared to what you were doing in this field.

Mr. KEPPEL. I am not expert on how they do it, but I do have some understanding. I think the major difference is the way in which these figures are collected and processed because of the relationship with the 50 States and almost 2,000 institutions of higher education. Therefore, the basic system of getting the individual piece of information is necessarily different. I think it has been shown in the last year that one can do this and do it fast.

If I may, Mr. Chairman, show two or three such actual instances?

Mr. FOGARTY. Take your time.

RECENT EXAMPLES OF TIMELY PUBLICATIONS

Mr. KEPPEL. We produced, for example, last year, a Digest of Educational Statistics which is both historical in that it goes back to prior years and also provides the most recent information, much of which is for 1961 and 1962. This was turned out this fall. It includes both the recent data and historical data, to show trends. This was designed primarily for the use of the Congress and for the Federal agencies that are interested and can use this kind of data.

A second example is a much briefer report which was published early in December, just about the time I came to Washington, on the enrollment of all colleges and universities of the United States, and provides, may I emphasize, enrollments as of October 1962. This shows the possibility of a very quick and useful compilation and printing of the data. It is a fact that we can get the data in fast and publish it fast.

Again, this information, for example, was absolutely essential for developing the raw materials, the background for consideration of legislative proposals in higher education. We needed the 1962 fall figures.

A third example that again shows the possibility of speed, was printed in one of the publications of the Office called "School Life" which gives State-by-State data on enrollment, on teachers, and on school housing for the fall of 1962 and again this data was useful in thinking through the problems of what kind of legislation might be proposed in these three areas to the Congress. This data, incidentally, includes the enrollment by grades available this September, 1 full year earlier than it was last year.

SAMPLING TECHNIQUES

A fourth item which, as it happened, you mentioned earlier this morning, had to do with the study requested by the President's Committee on Physical Fitness and this one shows another way of going about it. This had to do, you recall, with the physical fitness programs in the schools. The purpose of the President's Committee did not require a complete national accounting. The problem was to get a sample of what was going on. This sample was based on 1,200

schools and therefore shows—for certain purposes, a good many purposes—the value of the sampling technique for getting information in a hurry.

Now, I personally had concluded from looking at these examples that the Office of Education is capable, if suitably staffed and organized—and I will come back to that later if I may—of doing the kind of surveys that are necessary for policy determinations with the necessary speed. I frankly was rather impressed by this October-to-December story on higher education enrollment of the schools. This is not to say, of course, Mr. Chairman, that many people have not commented, and I know that surveys in the past have been slow—sometimes very slow and I suspect that the Office now suffers from the kind of stereotype that pictures it as always being slow. I wish to put in the record some facts for example, from October to December, showing that it is not wholly slow.

GAPS IN STATISTICS COLLECTED

I think even more important than this slowness problem is the fact that there are large gaps in the kind of data we collect and that these become more important every day as the relation between education and the national economic development and other aspects of our society becomes clearer. This leads, I think, Mr. Chairman, to more careful thought about the advances that have been made in the field of statistical sampling of which the physical fitness program was just one example. We intend to extend the use of sampling techniques to more surveys, particularly in the manpower fields, where, of course, one needs rapid up-to-date data. Furthermore, this obviously faces us with the problem of sophisticated—I think that is the word they use—statistical methods. It is clear that the collection of national statistics in any meaningful way is handicapped unless you have understanding and agreement throughout the States and the individual institutions of what basic terminology is; agreement on what the unit is—that is definitions, classifications, and so forth. We have been preparing handbooks on this terminology, definitions, and classifications which are obviously a step in this direction. And I might add at this point that title X of the National Defense Education Act has been an essential aspect in getting these completed, distributed, and used in the States. I don't think there is any question from what I can see that the State departments of education—not in all cases, but in the overwhelming majority of cases—have been immensely stimulated to get their own systems of collection of data improved.

Now, in connection with the budget that we have before you, Mr. Chairman, this year we have proposed three areas of special concern where we do not now have timely data to meet the requirements of national policy. These are, first, teacher personnel in the schools, types of personnel, and a lot of other data about them; second, faculty personnel in the institutions of higher education; and, third, the physical facilities for the elementary and secondary schools. These three are woven into the budget and the personnel requirements are directly related to those three programs. I would like, if I may, to say, because I think this is only proper for a new Commissioner to say this, that as time goes on, I personally would want to work in a fourth area; namely,

the area of attempting to measure by sampling methods how we are making out in quality of actual learning of the pupils in the school—let's say English, arithmetic, and the like—so we can begin to have some baselines and come back to the committee showing progress in what the pupils have learned. We hope as a result of our research to be able to show a steady increase. This is a fourth area which I think will take us quite a while to tune up to do from my private experience.

I mentioned that the Office has been obtaining much of its data from the departments of education of the States and I doubt, Mr. Chairman, if I need to argue the case of the importance of this in any detail. The districts and State departments need data for their own operations just as much as we do nationally. The cooperation of those two with the Office of Education makes the most sensible approach as a matter of public policy.

One example of the cooperation is this. If you can get data collected together you can do things fast. For example, the local school districts as in Wakefield, let's say provide a set of punchcards containing information which is requested by both the State department and the Office of Education. The State department examines these cards, makes the checks and corrections that they think are necessary and a copy of the punchcard is sent directly to the Office of Education where we can make the national tabulations and the analysis fast by using this equipment. That is what went on in some of the studies I put on the record here.

TEACHER STATISTICS

Now, the first thing we would like to do, using this kind of data flow on a pilot project basis, would be to apply it to the certificated teaching personnel in all 50 States. Now, all the States keep records of this and in the majority of States data such as the age, sex, highest earned degree, type of certificate and contract, salary and so forth are maintained on a uniform basis. This time we hope we can get this information from all the States. At the present time we think that we can have it from, say, 30 to 35 States.

This fast data flow basis would give us quick and factual quantitative findings on the changes that are going on in the age composition of the teaching staff in the United States, of the ratio of men to women teachers, salary areas, which was extremely important this year in trying to calculate the possible cost of the H.R. 3000 in regard to salary proposals, and the like. On faculty salaries, it is clear, I think, that the Nation is in a serious situation with regard to the numbers of faculty needed for expansion of higher education. But the unhappy fact of the matter is that we don't have the kind of detailed data on the age factor which we need. We don't have sharp enough data on what areas the shortages exist in. In order to plan in this area we have to have, then, age, number of persons by academic field, qualifications, degrees earned, and the relative teaching load of the faculty in each field. It is depressing to report that at the moment not a single one of these factors that I have just cited is available in a national form. It is obviously available in institutional form, but in a national form we don't have it. What we want to do is, if possible, hit into that

hard, and this is one of the second areas in which we are requesting aid in the form of increased staff.

SCHOOL FACILITY STATISTICS

The area that I heard most about before I came here was the school facilities statistics. Up to the present this information has been limited entirely to the public school sector and has, as you well know, in various ways been incomplete. But we would—what we would like to do is extend its coverage to include private as well as public schools; second, to obtain additional information, and we hope we can go into greater detail; and, third, to break this information down by educational level—that is elementary schools, junior high schools and to the extent possible by school district and individual school. What we would like to do is collect the data in a more qualitative way than it has been before, for example, to get the age of the building.

We had a trial run, Mr. Chairman, on this, through the civilian defense study which was mentioned earlier this morning which shows that it can be done. Age of structure, whether fire resistant or not, number of rooms per building are facts that can be pinpointed. As you know there are still thousands of one-room schools. Other items are, the number of instructional rooms in temporary off-site or rented quarters; the number of schools without central heating, indoor toilets, fire alarm boxes and the like. There is an immense amount of that detailed inside information which we do not now have. We have this gross estimate—so many classrooms may be needed on an estimated basis for the future. What we need if we are going to talk sensibly about national, State, as well as local policy, is a much more qualitative set of data and, of course, it must be up to date. Obviously also information is needed in the case of nonpublic or private schools which could be collected either through the State departments, or where this is not possible for lack of facilities, by direct agreement between the Office of Education and the private schools. I understand, although I did not take part in it myself, that such a tentative agreement has been entered into with the National Catholic Education Association with this in mind.

I mentioned my own concern that we look forward in the future to ways of giving measures, guidelines, for measuring the quality of the process of education and how much the children learn. As I suggested, we need to know do they learn to read? At what speed? How much do they remember? How much do they like it? What understanding do the students acquire about physics, about history, and the like? But I myself must emphasize again, Mr. Chairman, it will take a lot of tooling up where we can make sample surveys. We don't need to do it everywhere. It will make it possible to come back to this committee and show the results—for example, a 2-percent increase or 3 percent—the sort that would indicate that the educational system in the United States as a whole is making progress in the areas of central concern. It is obvious that this involves a problem of sampling.

TYPE OF PERSONNEL NEEDED

Now, to go at that and to develop the reputation which I think is important to develop, of a statistical unit that reports the fact and not what might be convenient to know requires, as far as I can tell, Mr. Chairman, not only an increase in personnel in the numbers we are recommending—the number of 30 broken down into detail that we will enter in the record—but also a very careful attention to the kind of men and women who are brought in to do this. I have had enough personal experience—largely through my association with Prof. Samuel Stouffer of Chicago, a professional statistician—to realize that in the last 15 years there has been an immense development in knowledge about statistical analysis and mathematical statistical ways of looking at problems, controlling the kind of data, of knowing whether you are on sound ground or not. This does mean, obviously, to me, at any rate, the search for staff whose basic training has been in the academic line, men in mathematical statistics and social statistics.

I do not think it is essential that these men be trained in education. Doubtless it would be desirable and in fact necessary for some of them to be. But others need to be high-level men trained in these fields. We already have some. Please don't get me wrong. We already have some of these in the Office. The problem is to get men of that quality and that kind of training in key positions to be able to control the very difficult, complicated statistical analysis. These are my personal views as of this moment, Mr. Chairman. What I would like to do would be to go into a little more detail on a breakdown of these 30 people by type of position and by grade.

MR. FOGARTY. All right. You can supply that for the record at the conclusion of your statement.

MR. KEPPEL. To summarize my statements, Mr. Chairman, criticisms about the Office and its statistical program include the factors of slowness, gaps in information, and obsolescence of methods. To an extent, these criticisms can be substantiated but the problem really is whether the Office is moving effectively to overcome the deficiencies. This means, whether it has the professional capacity, the resources, and the essential cooperation of the thousands of public and private agencies which voluntarily provide data to the Office.

First, we can see that it has the capacity to do some jobs rapidly by the fact that four reports recently published have included up-to-date data. As I noted earlier, however, resources are small in comparison to other Federal programs when we note that it ranks 13th in size among 19 principal statistical programs. It has shown that it can obtain national uniformity in educational statistics; in fact, it is now being implored to perform this function more widely.

The Office is seeking at this juncture to modernize its entire program to overcome the slowness and cumbersome methods of getting some information by questionnaires and detailed periodic reports. This is possible now because of electronic data processing techniques employed at the Federal level and in the field. For example, we seek to develop three critical areas of educational information by modern data processing methods: (1) public school teachers, (2) college and university faculty, and (3) public and private school facilities. Once

these are underway, the Office will initiate work in the areas of the quality of learning in our schools and follow this with other areas. We propose to extend the use of sampling techniques.

To do this, the Office must be equipped to cooperate with the States and universities, and enabled to employ topflight statisticians to take on the new work. For example, the problems of gaining reliable samples of data about the millions of students and teachers and thousands of schools is an unusually complex field. Also, it must have essential funds to use modern data processing equipment.

At this critical time, the Nation must have an agency which is fully capable of giving timely, reliable, complete, and useful information about the condition and progress of education. Otherwise we will continue to lack those facts that are so essential for policy formulation and educational improvement.

POSITIONS REQUESTED FOR 1964

Therefore, an increase of 30 positions and \$412,000 is requested for 1964.

(The breakdown, previously referred to, follows:)

DISTRIBUTION OF NEW POSITIONS FOR EDUCATIONAL STATISTICS BY TYPE AND GRADE

Positions which require knowledge of statistical methods and techniques:

Statisticians GS-5 through GS-15:

GS-15	Project coordinator (basic data system)-----	1
GS-14	Specialist for data processing-----	1
GS-13	Specialist for data processing-----	1
GS-13	Specialist for editing procedures-----	1
GS-13	Project coordinator (mental retardation)-----	1
GS-12	Assistant specialist for data processing-----	1
GS-12	Digital computer programmer-----	1
GS-11	Digital computer programmer-----	1
GS-11	Supervisory statistical officer-----	1
GS-11	Statistician-----	1
GS-9	Statistician-----	1
GS-7	Statistical assistant-----	4
GS-7	EAM project planner-----	1
GS-5	Statistical clerk-----	1

Total----- 17

Positions which require knowledge of education speciality along with statistics:

Survey statisticians GS-12 through GS-14:

GS-14	Specialist (certification personnel statistics)-----	1
GS-14	Specialist (schoolhousing statistics)-----	1
GS-14	Specialist (higher education faculty statistics)-----	1
GS-14	Specialist (State statistical systems)-----	1
GS-14	Specialist (higher education systems)-----	1
GS-13	Specialist (State statistical systems)-----	1
GS-12	Assistant specialist-----	1

Total----- 7

Positions which require clerical skill only:

Stenographic and clerical:

GS-5	Secretaries-----	3
GS-4	Clerk-stenographers-----	3

Total----- 6

Summary:		Summary—Continued	
GS-15-----	1	GS-7-----	5
GS-14-----	6	GS-5-----	4
GS-13-----	4	GS-4-----	3
GS-12-----	3		
GS-11-----	3	Total-----	30
GS-9-----	1		

Mr. KEPPEL. Thank you, Mr. Chairman.

MENTAL RETARDATION

Mr. FOGARTY. How are you going to expand services dealing with mentally retarded children?

Mr. KEPPEL. Mr. Flynt?

Mr. FLYNT. We propose to do several things, Mr. Chairman. One is to give special attention to needed statistics in this area along with the people we have asked for. We have asked for three people especially to be concerned with these statistics. This is a very difficult group to pin down in numbers—numbers trainable—and we would like to amplify our statistics in this area and to make them more meaningful and acceptable. This is one of our essential interests.

Mr. FOGARTY. There is a problem everywhere in making the determination whether the child is just trainable, or is educable.

Mr. FLYNT. This is not because we have not worked at it, but because of the professional difficulty with the dividing line between the educable and the trainable—and this line has been moving along the scale of intelligence. So using the revised standard we believe there are more people both educable and trainable than hitherto contemplated as indicated in some research projects. We think the time is right to mount a definitive statistical program.

EXPANSION OF COOPERATIVE RESEARCH

Mr. KELLY. I have some specific figures you might want. Under cooperative research, \$467,000 of our funds went into this area of mental retardation in 1963, and in 1964 we estimate \$1,056,000; under salaries and expenses, it is estimated that in 1963 \$61,000 was devoted to mental retardation, and the 1964 plan is for \$129,000 for this area.

Mr. FOGARTY. Just about double.

Mr. KELLY. Yes.

Mr. IANNI. I would like to say three things about it.

One, that the new program we would mount in learning would be largely oriented toward mental retardation since so much of our research in the past has built a good base for this.

Second, we would like to add some staff in this area also. At the present time we have on our staff one specialist in mental retardation and, frankly, his services are called upon so frequently we have trouble meeting all the requests. He is being asked to provide services in many parts of the country. We would like to beef up our staff in this area.

Third, and finally, I think that probably the most important thing in the area of mental retardation now is that since we have through our research projects been able to identify the youngsters and since we have been able at the same time to show the efficacy of special

classes, our major thrust in this area should be in getting these results disseminated to a large portion of the country. I think that the results in this area can be every bit as dramatic as in the various areas of medicine.

Mr. FOGARTY. What is the next step?

Mr. IANNI. The next step would be the establishment of the research program centers we have asked for. This would set up one center where we have a composite body of knowledge which is available to many people throughout the country.

DEMONSTRATION PROJECTS

A second thing we would have to do is mount a large number of demonstrations to demonstrate the material which is already known.

Mr. FOGARTY. Can't you do that now?

Mr. IANNI. We can do it but we haven't the money. We have the authority but not the money. This is why we are asking for these significant amounts in the area of learning disorders, because demonstration in this area is really a difficult task. It involves getting the best people to do the demonstration and the best people—

Mr. FOGARTY. Supply for the record what sort of demonstration program you envisage and also about how much you think it would cost.

Mr. IANNI. All right.

(The information follows:)

DEMONSTRATIONS IN AREA OF MENTAL RETARDATION

As an example of what might be done in this area, we suggest a series of demonstration programs in various parts of the country based upon just one of the demonstrable new techniques for dealing with the education of the mentally retarded. This project which is currently being conducted by Prof. Burton Blatt at Boston University is a demonstration of the principle that some 5- or 6-year-old retardates can learn more rapidly and acquire more skills, both mental and social, than previously thought possible. The present field demonstration selected a group of mentally retarded students and provided them with what we have called a "responsive environment." In a responsive environment a teacher allows the child to explore freely, provides answers to the questions as immediately as possible, allows each child to set his own pace and to use his own capacities, and in general attempts to set up a learning situation in which the child can make interconnected discoveries in such fields as elementary science, literature, and so on. The great encouragement of this project is that for the first time mentally retarded youngsters are allowed the same exploration and curiosity satisfaction as other children. Combining this research with our present knowledge of the proven benefits, both social and educational, of special classes for mentally retarded youngsters we could mount five such demonstration projects in various regions of the United States.

In each of these demonstration programs teachers of special classes for the mentally retarded would be shown this new technique and given training in its use. The benefits accruing from this program would hold not only for the actual children involved, but since it would also train the teachers they would then return to their institutions and work with more children and in turn train additional teachers.

The cost of these demonstrations would be relatively low compared with the benefits which would accrue and compare with the tremendous sums we now spend for what in many cases is truly custodial care of mentally retarded youngsters. Each demonstration program would require approximately \$70,000 for operational costs. In addition there would be cost for special equipment such as the especially designed electrical typewriters with which these youngsters can be taught to read as early as 5 years of age. The cost for such a demonstration project would be approximately \$100,000 for a period of 2 years. With five centers established this would be a total cost of \$500,000.

DEVELOPMENT OF CURRICULUM MATERIALS

Mr. IANNI. I think the other area where we have to do a great deal is developing specific curriculum materials. Unless the teachers have the materials to work with, the best teachers in the world simply cannot do anything in this area.

Mr. FOGARTY. You are talking about the retarded?

Mr. IANNI. Yes, sir.

Mr. KEPPEL. May I add that in the legislation proposed to the Congress, H.R. 3000, there is a request, both for institutes for training teachers and a very substantial appropriation for that purpose, and it is part of the plan that this should be used for the training of the teachers in this area because I think that is a necessary part of Mr. Ianni's problem of spreading facts.

Mr. FLYNT. In addition to the request for three additional people we are asking for three additional spaces or three additional people in the field of mental retardation and a specialist at grade 14 and a research assistant and these would be full time in their concern for this problem.

RECOMMENDATIONS OF PRESIDENT'S PANEL

Now, we have made an analysis of the recommendations of the President's panel which number 100, 10 of which are especially concerned with education. With your permission we will put it in the record.

Mr. FOGARTY. Please do.

(The analysis follows:)

MAJOR RECOMMENDATIONS OF THE REPORT OF THE PRESIDENT'S PANEL ON MENTAL RETARDATION WHICH RELATE TO THE OFFICE OF EDUCATION

"The U.S. Office of Education should exercise national leadership in the development of educational services for retarded children.

"Responsibilities of the Office of Education for the improvement of education generally are assuming major significance as national needs in this area are recognized. In keeping with this increasing role the Office should expand its efforts devoted to—

"I. the extension of programs for exceptional children;

"II. the development of new programs which would stimulate and assist State and local school systems in the extension of services for exceptional children:

"Specialized educational services must be extended and improved to provide appropriate educational opportunities for all retarded children."

"The five areas enumerated below represent particularly urgent needs for extended or new services which should be given emphasis and priority in awarding grants under the extension and improvement program and under the more general education aid program proposed by the President."¹

(a) "Projects to enrich the learning opportunities of preschool children who live in homes where such opportunities are inadequate."

(b) "Instructional materials centers in the special education units of State departments of public instruction or in university departments of education."

(c) "State and local community leadership in the development, administration, and supervision of school services for retarded children."

(d) "Specialized classroom services to provide for all mentally retarded children."

¹ The Office of Education lacks authority and funds to implement all of these recommendations.

(e) "Services of educational diagnosis and evaluation to provide for early detection of school learning disabilities and to enable appropriate school placement."

III. Administration of programs which provide funds to assist colleges and universities with programs in the preparation of special education personnel:

"An additional 55,000 trained teachers of the mentally retarded are required."

"The Federal Government and private foundations should provide increased funds for scholarships and for support of training programs."

"Especially high priority should be given training more college level instructors."

"Therefore, the U.S. Office of Education should initiate a national recruitment program to interest students in careers in the education of the mentally retarded and children with other handicaps."

"Methods must be developed to provide for more effective training and use of personnel for teaching retarded pupils."

IV. The administration of intramural and extramural research on exceptional children:

"The Federal Government should develop a comprehensive continuing program for the collection and analysis of population statistics on the incidence, prevalence, and personal and socioeconomic characteristics of the mentally retarded."

"It is recommended that the research budget for exceptional children in the U.S. Office of Education be augmented in accordance with the provisions of legislation proposed in 1962."

"Experimental research findings should be tested in service agencies before widespread application. The Federal and State Governments and private foundations should assist in financing such studies."

OFFICE OF EDUCATION PROGRAMS IN MENTAL RETARDATION IN RELATION TO RECOMMENDATIONS OF THE PRESIDENT'S PANEL ON MENTAL RETARDATION

In relation to the above recommendations, the Office of Education plans in 1964 to engage in the following activities and programs in the field of mental retardation:

A. CONTINUING ACTIVITIES

The Office of Education has a continuing program of activity in the education of the mentally retarded which is focused mainly on (1) the extension and improvement of educational programs, (2) the securing of more and better qualified special educators, (3) the acquisition and dissemination of new, technical, and relevant knowledge. These activities are carried on mainly through the conduct of program and statistical studies, the issuing of reports and other types of public information services, consultations, conferences, intramural and extramural research. There is extensive cooperation with many agencies and individuals.

1. Extension and improvement of educational programs

The current activities are directed toward (1) closing the gaps between the number of mentally retarded children in need of special education and the number receiving it, and (2) improving the quality of their educational opportunities.

(a) The collection of statistics on numbers of pupils and teachers in special education programs, including the mentally retarded.

(b) The preparation or revision of several education directories as a public service.

(c) The conduct of office-sponsored conferences. For example, there will be a conference of representatives of special education from State educational agencies. Another will be held with representatives of national organizations having a specialized interest in the mentally retarded.

(d) A study of educational provisions for older mentally retarded children.

(e) Extensive consultative and information services.

2. Securing more and better qualified special educators

(a) The administration of the fellowship program in the education of the mentally retarded authorized by Public Law 85-926 which is contributing both to the recruitment of manpower and to the quality of special preparation in the field.

(b) Preparation of a report on colleges and universities in the Nation offering opportunities for the professional preparation of teachers of exceptional children, including the mentally retarded.

(c) A study, in cooperation with national leaders, of college curriculums for the preparation of personnel in the education of the mentally retarded.

(d) A study of State certification standards for teachers of exceptional children.

(e) Extensive cooperation with other agencies concerned with the recruitment, professional preparation of special education personnel and certification of professional personnel.

(f) Continued study of inservice education methods and practices.

3. *The acquisition and dissemination of new, technical, and relevant knowledge*

(a) Participation in the identification of key problems needing research or demonstrations and consultation on proposed experimental research projects designed to throw light on these issues, such as the learning process in the mentally retarded.

(b) The conduct of such studies as "State Legislative Provisions Pertaining to the Education of Exceptional Children in Local Public School Systems" and "State Financial Aids for Special Education in Local Public Schools." While these are broad studies they include the mentally retarded and children who may have more than one handicap.

(c) The dissemination of research findings through various communication media.

(d) The conduct of research under provisions of Public Law 85-926, Public Law 531, and NDEA title VII.

B. NEW OR EXPANDED ACTIVITIES FOR 1964

In 1964, a new study in depth in curriculum development, including the techniques of instruction, for the mentally retarded will be undertaken. This project will be done in cooperation with national leaders. It will be concerned with the mentally retarded covering a wide age range including children of nursery school and kindergarten age level, the elementary age level, and the adolescent and young adult. In line with a major recommendation of the President's Panel Report, it will give attention to the learning needs of preschool children in homes where learning opportunities are inadequate. In considering the curriculums, attention will also be given to the needs of retarded children of all ages who live in city slums or depressed rural environments.

Other aspects of the curriculum project which are in line with recommendations of the President's Panel Report will emphasize the study of the characteristics of the mentally retarded in relation to (1) early educational diagnosis and identification, and (2) curriculum objectives in relation to these characteristics.

TEACHING MATERIALS

Mr. FOGARTY. You mentioned getting the proper teaching material?

Mr. IANNI. Yes, sir.

Mr. FOGARTY. Give me two or three examples of what you mean by material.

Mr. IANNI. One—in our experimentation with the early admission of mentally retarded children, one of the problems we have had all along is that there are no special courses, remedial courses in the area of mental retardation in such areas as mathematics, English, and reading. The problems of learning to read on the part of mentally retarded youngsters are far greater than learning to read for children who are not mentally retarded. As I pointed out earlier, we have been experimenting with the technique of using electric typewriters where they can teach these children to read at a very early age, actually as young as 4 and 5 years of age. This, however, is an extremely expensive proposition. The experimental typewriters with

which we have been working cost \$20,000 each to prepare because they require a closed booth and so on. So that this type of material simply is not available. At the same time, if mentally retarded youngsters are to progress in terms of their development, they have to have their world expanded by reading about other situations, by reading about science, about mathematics. So the reading program would form the basis for and spread from there on. Not only remedial materials are needed but at the same time you must have general materials available also. If the mentally retarded youngster—

Mr. FOGARTY. Like what?

Mr. IANNI. Let me say that if a mentally retarded youngster develops an interest in science as a result of the remedial program, the fact that he is mentally retarded still holds him back in terms of reading general books on science, so what we have to do is produce materials which are comprehensible to him. But you would still give him the necessary information. I think the important point here is that these materials should not be watered down. He should not receive less information about science than any other child. What he should receive would be materials about science which he can understand and comprehend.

Mr. FOGARTY. I think I understand now.

Is there anything else you want to say before we recess?

Mr. KEPPEL. I think I might just note two other items very briefly, if I may.

FULBRIGHT-HAYS PROGRAM

The first one is a request for 12 additional positions which are a part of the Fulbright-Hays program for \$2,500,000 which involved, you will recall, teachers going overseas to prepare for positions here in our own institutions and vice versa. This is linked to that program for an appropriation of two and a half million dollars. If a program appropriation is made that must be handled by new staff members and it comes out to 12 new positions, that is the largest single increase in that area and I just wanted to make it clear that that is linked to the \$2,500,000.

OFFICE OF EDUCATION LIBRARY

The second one which I am very happy about personally, is 13 staff members as a part of the process of building and creating within the new building of the Office of Education its professional library. The 13 staff members are needed not only to handle the library in the routine sense, but also to bring the activity back up in cataloging and elsewhere to a useful research standard.

Those are the 2 largest numbers of personnel that are involved in the total of 138 other than the statisticians and the cooperative research group which I think have already been described.

Mr. FOGARTY. All right. Will you submit for the record a comprehensive statement on the need for building up the library?

Mr. KEPPEL. Yes, sir.

(The statement follows:)

OFFICE OF EDUCATION LIBRARY

A recent intensive intradepartmental study of library resources in the downtown Washington area led to the recommendation that library services supplied to the operating agency headquarters staff should be substantially strengthened and improved. Among the deficiencies under the current system are:

1. A substantial number of uncataloged materials;
2. A lack of current research materials; and
3. Inadequate reference and bibliographic service.

To overcome these deficiencies, it is recommended that library staff and services be augmented in order to make the libraries a more useful reference and research tool. In addition, the increasing geographic dispersion of the operating agency facilities makes it desirable to decentralize part of the departmental library collections and facilities. This decentralization would also promote better services to the agencies and their staffs by bringing the specialized collections closer to the agencies and staff who have most need to utilize them.

This budget request seeks additional resources to permit implementation of those recommendations as they apply to the Office of Education. Under this arrangement, the Office of Education will assume responsibility for its own collections including the following functions:

1. The furnishing of space for the library facility;
2. The acquisition and maintenance of library equipment and furnishings;
3. The recruitment and supervision of the library staff;
4. The purchase and acquisition of books, journals, and other appropriate materials for the library;
5. The cataloging and processing of the educational acquisitions; and
6. The provision of the usual library reference and bibliographic services for the education library collection.

The education collection is the largest and oldest of the specialized collections in the Department. It contains both historical and current literature on education in all its phases—history, organization, administration, methods and techniques of teaching, vocational education, etc. It includes material on all levels of education—preschool, elementary, secondary, and higher. In addition, all publications of the Office of Education, official reports of State and city school systems, proceedings, and yearbooks of educational organizations, are included. Added to this basic collection of about 82,000 books is a collection of professional education journals numbering about 13,000. Also, there is a unique collection of about 40,000 volumes of foreign educational materials that has yet to be completely cataloged and, therefore, has been substantially underutilized. About 25,000 textbooks representing all fields of instruction in the secondary and elementary level, a complete collection covering the most recent 10 years of catalogs of all of the 2,000 institutions of higher education, and curriculum materials from all of the States complete this specialized collection. The total number of books, aside from the college catalogs and curriculum materials which occupy 600 library shelves alone, is about 160,000.

Under the new arrangement, the Office of Education will be responsible for this collection within, of course, the general library policies of the Department. A substantial number of the volumes will be physically located in the Office of Education headquarters building so that professional staff of the Office will have ready access to those materials that will satisfy its research and reference needs.

Thirteen positions are requested to maintain this library. The size of this staff compares favorably with that for other specialized libraries.

Mr. FOGARTY. Is that all?

Mr. KEPPEL. Thank you, sir.

Mr. FOGARTY. Thank you very much. I think you have a tough job ahead of you but I think the results of these research programs will help your Department in the future. I think Mr. Ianni has done a very good job in explaining the progress that has been made in the last few years through these cooperative research programs. That should help in the future, because you have results to talk about and its results that count and attract attention in this or any other program.

WEDNESDAY, FEBRUARY 27, 1963.

VOCATIONAL REHABILITATION ADMINISTRATION

WITNESSES

MISS MARY E. SWITZER, COMMISSIONER OF VOCATIONAL REHABILITATION

E. E. FEREBEE, DEPUTY COMMISSIONER

JOSEPH HUNT, ASSISTANT COMMISSIONER, STATE PROGRAM OPERATIONS

JAMES F. GARRETT, ASSISTANT COMMISSIONER, RESEARCH AND TRAINING

DAVID FROST, M.D., ASSISTANT COMMISSIONER, HEALTH AND MEDICAL ACTIVITIES

SAMUEL E. MARTZ, ASSISTANT COMMISSIONER, MANAGEMENT SERVICES

JOSEPH M. LaROCCA, CHIEF CONSULTANT, INTERNATIONAL ACTIVITIES

MISS CECILE M. HILLYER, CHIEF, DIVISION OF TRAINING

MRS. EMILEY M. LAMBORN, CHIEF, DIVISION OF STATE PLANS AND GRANTS

MRS. JOAN H. CRISWELL, ACTING CHIEF, DIVISION OF RESEARCH GRANTS AND DEMONSTRATIONS

EDWARD G. MANNING, CHIEF, DIVISION OF BUDGET AND FISCAL OPERATIONS

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GRANTS TO STATES

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Vocational rehabilitation services.....	62,950	71,240	85,700
2. Extension and improvement projects.....	1,058	1,700	3,000
Total program costs, funded—obligations (object class 41).....	64,008	72,940	88,700
Financing:			
Unobligated balance lapsing.....	442		
New obligational authority (appropriation).....	64,450	72,940	88,700

RESEARCH AND TRAINING

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
21 Travel and transportation of persons.....	29	60	215
24 Printing and reproduction.....	10	30	30
25 Other services.....	1,158	1,515	2,210
31 Equipment.....			150
41 Grants, subsidies, and contributions.....	18,634	23,895	34,225
Total obligations.....	19,831	25,500	36,830

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Research and demonstrations.....	9,445	10,500	16,000
2. Training.....	9,651	13,300	17,530
3. Special center program.....	723	1,700	3,000
4. International research: Domestic support.....			300
Total program costs, funded.....	19,819	25,500	36,830
Change in selected resources ¹	12		
Total obligations.....	19,831	25,500	36,830
Financing:			
Unobligated balance lapsing.....	419		
New obligational authority (appropriation).....	20,250	25,500	36,830

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$12,000; 1963, \$12,000; 1964, \$12,000.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
21 Travel and transportation of persons.....	7	50	60
41 Grants subsidies and contributions.....	695	2,850	2,930
Total obligations.....	702	2,900	2,990

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Rehabilitation research and related activities (costs—obligations).....	702	2,900	2,990
Financing:			
Unobligated balance brought forward (—).....	—530	—1,225	—325
Recovery of prior year obligations (—).....	25		
Unobligated balance carried forward.....	1,225	325	335
New obligational authority (appropriation).....	1,372	2,000	3,000

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1,689	1,864	2,179
Positions other than permanent.....	42	47	53
Other personnel compensation.....	59	113	129
Total personnel compensation.....	1,790	2,024	2,361
12 Personnel benefits.....	129	146	172
21 Travel and transportation of persons.....	134	142	164
22 Transportation of things.....	8	4	5
23 Rent, communications, and utilities.....	43	42	51
24 Printing and reproduction.....	39	39	44
25 Other services.....	45	50	56
26 Supplies and materials.....	20	16	20
31 Equipment.....	26	15	30
Total costs.....	2,234	2,478	2,903
Change in selected resources.....	8	2	2
Total obligations.....	2,242	2,480	2,905

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	215	224	245
Full-time equivalent of other positions.....	5	5	5
Average number of all employees.....	210	215	237
Number of employees at end of year.....	245	263	284
Average GS grade.....	9.4	9.5	9.6
Average GS salary.....	\$8,157	\$8,979	\$9,145

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. State program operations.....	988	1,090	1,242
2. Research and training.....	560	636	788
3. Executive direction and program coordination.....	376	434	518
4. Management services.....	310	318	355
Total program costs, funded.....	2,234	2,478	2,903
Change in selected resources ¹	8	2	2
Total obligations.....	2,242	2,480	2,905
Financing: Unobligated balance lapsing.....	83		
New obligational authority.....	2,325	2,480	2,905
New obligational authority:			
Appropriation.....	2,325	2,486	2,905
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (76 Stat. 728)			
(-).....		-6	
Appropriation (adjusted).....	2,325	2,480	2,905

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$8,000; 1962, \$16,000; 1963, \$18,000; 1964, \$20,000.

Mr. FOGARTY. The committee will come to order.

We have before us this afternoon the Office of Vocational Rehabilitation.

Are you ready, Miss Switzer?

Miss SWITZER. I hope so.

Mr. FOGARTY. Go right ahead.

GENERAL STATEMENT

Miss SWITZER. We have an opening statement, Mr. Chairman, which goes into some detail about our progress.

Mr. FOGARTY. You can put that in the record.

(The statement follows:)

GENERAL REMARKS

Mr. Chairman and members of the committee, I am glad to present to you the budget for 1964 for the program of the Vocational Rehabilitation Administration. The change in our title—prior to January 28 it was the Office of Vocational Rehabilitation—is significant in that it is another symbol of the recognition which the President and the Secretary of DHEW are giving to the importance of rehabilitation in restoring disabled people to useful living.

Last August the President, in a ceremony at the White House, took note that in 1962 the Federal-State rehabilitation program for the first time rehabilitated more than 100,000 disabled persons in 1 year. We took pride in having reached this halfway mark toward our goal of 200,000 rehabilitations a year, but there was much greater significance in the President's statement on the need for moving ahead toward the larger objective. I believe that the budget estimate for 1964 reflects his desire. The amounts requested provide Federal matching for all State funds estimated to be available next year for the basic rehabilitation services, and an important move forward in our research and demonstration and training programs.

This year we expect to rehabilitate at least 110,400 disabled people. With the funds requested for fiscal year 1964, we should reach another record high of 126,500 rehabilitations. The rehabilitation program is picking up tremendous momentum. The number of persons rehabilitated in 1964 will be 25,000 greater than the 1962 total. Such an increase in just 2 years compares with the historical fact that it took 42 years to reach the first 100,000 annual total. This forward drive is ample evidence of what can be done by a Federal-State partnership strongly supported by the administration and Congress.

We are very much encouraged by the surge in State effort in this program. In 1964 the States are planning to increase their rehabilitation funds about \$9 million or about 20 percent (from \$45 to \$54 million). To take full advantage of this increased effort we are requesting an appropriation of \$85.7 million for "Grants to States" for supporting the basic rehabilitation services under section 2. We are also proposing to raise the allotment base for distributing the funds for basic rehabilitation services from \$110 to \$140 million. This increased base will permit full matching of State funds in all but three States. As was done in the 1963 budget, an additional \$550,000 is included in the request to match the additional funds.

States are also planning to start a larger number of projects, and wider in scope, to extend and improve their programs in fiscal year 1964 than has been the case thus far. Raising the minimum State allotment to \$15,000 in 1963 sparked considerable interest in this program. We are requesting \$3 million for next year to match State funds as compared with the \$1,700,000 that was available in fiscal year 1963.

Our drive, generally, is to expand rehabilitation services for all the disabled. But at certain times there are opportunities to drive ahead with special vigor in certain disability areas. This committee, in last year's report on the appropriation bill, requested that we identify the rehabilitation activities for the deaf. Accordingly, in developing the budget for 1964, the State agencies were asked to detail to us the extent of the services they are providing for the deaf.

Most of them reported intensified activities in rehabilitating this group. They are assigning specialized counselors to work with the deaf, particularly at the State schools for the deaf; the State-operated rehabilitation centers are giving training to their staffs to work with the deaf; and deaf patients at many of the State mental hospitals are getting special attention to determine their rehabilitation possibilities. Particularly noteworthy are the activities by the Alabama agency which has cooperated with the Alabama Institute for the Deaf and Blind in establishing a comprehensive center at Talladega; the Georgia agency which is helping to set up an evaluation center; and the Florida agency which is establishing a rehabilitation facility at the State school for the deaf. Illinois is tripling the counseling staff assigned to work with the deaf clients. In fiscal year 1964, the State agencies will rehabilitate about 2,300 deaf persons and another 7,600 with speech and hearing disorders. We are also doubling the number of research and demonstration projects in these disability categories and stepping up the specialized training program for counselors, audiologists and other personnel working with the deaf and hard of hearing.

We are planning a major move forward next year for several other disability categories and groups. As you know, we have been making very significant progress rehabilitating the mentally retarded. This year the States will rehabilitate about 5,400 mentally retarded; in 1964 we expect this total to rise to about 7,500. The number is still very small compared to the need for rehabilitation for this group, but it is tremendous progress compared with the approximately 500 retarded that were rehabilitated in 1955. The programs in States are receiving strong impetus from the network of 36 demonstration projects which have been started in 28 States through our research and demonstration program. For next year we plan a major expansion of the demonstration projects which I will describe in more detail when the request for the research and demonstration program is discussed. Such projects not only are showing the best techniques for rehabilitating the mentally retarded, but equally important, are providing the resources where the State agencies send many of their clients to receive rehabilitation services.

The benefits of the research and demonstration projects to the State agencies and to the rehabilitation program as a whole in terms of providing services, is shown by the fact that in 1962 the research and demonstration projects gave rehabilitation services to about 21,000 disabled persons, almost half of whom were clients of the State agencies. Moreover, about 1,800 disabled persons served in these research and demonstration projects were vocationally rehabilitated over and above the 102,377 reported by the State agencies.

The mentally ill are another group on which we have been concentrating special attention for the past several years and we are getting results. Last year the States rehabilitated almost 9,000 mentally ill persons, an increase of 30 percent over the previous year. Here too, the research and demonstration programs and our program for training rehabilitation personnel are paying dividends. This year we expect the total to reach 11,500 and in 1964 the number of mentally ill we restore to useful and productive lives should exceed 15,000. More State rehabilitation agencies are working more directly with the State mental institutions and State mental health authorities than ever before along the whole spectrum of activities from the time individual enters the institution to the time he is returned to the community.

The human and social benefits resulting from the rehabilitation of a disabled person are bolstered by the very substantial economic benefits that accrue from the employment of a previously unemployed or underemployed individual. And, we think these facts relating to those rehabilitated in 1962 are eloquent testimony of this fact. The 102,377 persons rehabilitated last year will contribute about 150 million man-hours of work and will earn over \$210 million annually. Over 70 percent of these people were not working when they were accepted for rehabilitation and the remainder were working at very low wages. Our data indicate the rehabilitants will repay about \$7 in Federal income taxes for every dollar invested in their rehabilitation.

Over one-sixth of those rehabilitated last year had been receiving public support at an annual cost of about \$18 million. We are pushing ahead as strongly as we can to increase the rehabilitation of those receiving public assistance. Our State agencies during the past year have reviewed their working agreements with the State welfare and public assistance agencies to strengthen the cooperative agreements. The VRA staffs both here and in the regional offices have been meeting with staff from welfare programs to make sure that the

maximum possible use is made of our resources to provide vocational rehabilitation services for those on public assistance. Finally, we are projecting a significant increase next year in our research and demonstration projects to spur this program on as much as possible. Our contribution to overcoming dependency is most evident when the disabled person who returns to employment is one who had been dependent on public assistance or other public support.

RESEARCH AND DEMONSTRATIONS

We are proposing a significant step forward in the research and demonstration programs for 1964. This program has been developed carefully since its inception in 1955; we now have reached a point where this experience can be put to use in a more aggressive attack on urgent rehabilitation problems. The request for \$16 million for this purpose compares with the \$10,500,000 available for this year. This increase of \$5,500,000 will enable us to operate a little more than 400 projects next year, an increase of about 100 over 1963. We made a very careful and detailed analysis in arriving at the \$16 million estimate. For each of the major disability groups served by the VRA program, we reviewed the outstanding problems that were impeding rehabilitation, our accomplishments under the research program for each of these groups and what types of projects could most reasonably and efficiently be initiated next year to move the program ahead. We concluded that our 1964 plans must provide for special development, through our demonstration grant program, in the fields of mental retardation, mental illness, among disabled public assistance recipients, the deaf, and in special studies of the techniques of rehabilitation medicine. Our studies showed that this could be done simultaneously with across-the-board development of the rehabilitation program and without sacrificing any gains in research of services to other disability groups. Accordingly, next year's research and demonstration budget provides for about 75 new selected demonstration projects. We believe that these, located strategically around the country where competent project personnel are available, may very well be a decisive factor in speeding up the achievement of our goal of 200,000 rehabilitants annually.

The budget estimate was built upon a very detailed analysis of 11 different types of projects and I would like to illustrate with several of these, the kinds of projects we are currently undertaking and are planning for next year.

The largest single category of projects in the research program for next year is for the mentally retarded. Almost one-fifth (\$2,735,000) of the \$16 million requested is needed for the 72 projects planned for this group for next year. These projects will cover a wide-range of activities. Rehabilitating the retarded presents unique problems of evaluation of their work potential and training. Some of the most knowledgeable people in the country are working with us on these problems at the Devereux School in Pennsylvania, the MacDonald Training Center in Tampa, and the Human Resources Foundation in New York. In this latter project Mr. Viscardi of Abilities Inc., is turning some of his talents and those of his very able staff to the problems of the retarded. He is experimenting with programed learning techniques in training young retarded adults to do skilled jobs in the production of electronic components and precision products in a competitive factory situation. We hope that the unique skills that have been developed at Abilities Inc., to train the disabled to make maximum use of their potentials will show the feasibility of training many retarded persons for much higher level jobs than the more customary sheltered workshop operations.

Very significant results in preparing the young mentally retarded people for employment have come during the past several years from a series of projects where vocational counseling and work experience specifically tailored for the retarded group were built into the latter years of their school work. These experimental projects with nine widely dispersed State and local school systems have been so productive that we are planning in next year's budget to duplicate this kind of project in at least 25 other communities. Such a project in Oklahoma City, for example, was so impressive that it has led to a revision of the curriculum for the retarded, and other cities in that State have indicated intention of adapting the methods of this project.

In Alabama and Georgia, the State rehabilitation agencies are working with State education officials to put the vocational rehabilitation techniques into their educational programs for the retarded. In Rhode Island, the State rehabilitation agency is working closely with school officials on a statewide basis in an

intensive program of case finding and, as cases are discovered, the rehabilitation agency is providing counseling and vocational services. This combination of early case finding and service will enable many young people to go on to useful living who would otherwise have deteriorated beyond help and would have become an intolerable burden on their families or the community for support.

I think that the progressive program of projects for the mentally retarded which we have pushed for more than 5 years has played a very significant role in the readiness throughout the country to embark on an expanded program for this group. The program which we are proposing for next year is very much in line with the recommendations of the President's Panel on Mental Retardation and efforts which this administration is making to improve the health, education, and rehabilitation services for the retarded group.

The fact that the mentally ill, like the mentally retarded, receive too little help, and often too late, is being recognized in 1964. Our program, which provides for 51 research and demonstration projects for the mentally ill for next year at a cost of \$2,100,000, is part of this generally increased effort. The importance of vocational rehabilitation in the restoration of many mental patients to continue self-support cannot be too strongly emphasized. A sizable part of our research program ever since it started some 8 years ago, has been concerned with improving the techniques for rehabilitating this group. During this period, the research program has been concerned with the need for developing better training techniques to enable the mentally ill person to meet the problems of a work situation, with organizing transitional facilities such as halfway houses to cushion the problems that the ex-mental patient meets as he progresses from the hospital, to community, to employment, and with developing rehabilitation facilities in which the emotionally disturbed worker can better develop vocational skills.

Next year we plan to give special emphasis to extending the very successful experience we have had with the workshops for the emotionally disturbed and with the halfway houses for employed ex-mental patients. Of the five halfway houses we helped support as demonstrations, two have already been taken over by the community and the other three are nearly ready for such support.

The vocational rehabilitation research program dealing with the problems of rehabilitating the deaf, illustrates the very fundamental contribution which these projects can make. One of the first research projects we supported was at the New York Psychiatric Institute which sought ways of making psychiatric services available to the deaf. The very successful experimentation attracted nationwide interest. As a direct result of this project, the Department of Mental Health in New York State is establishing a psychiatric unit for deaf persons which will probably become a model for other States and provide a source for training personnel to start similar programs throughout the country. This project has highlighted one of the basic problems faced in rehabilitating the deaf—that of breaking down the communications barrier which confronts those who are trying to expand the services and to increase the employment opportunities for this group. We have 12 projects dealing with the deaf this year and the budget estimate proposes to expand this number to 20 next year with emphasis on increasing projects to demonstrate ways to extend the large range of community services available to deaf people.

The last major category of projects which I want to call especially to your attention is the one dealing with rehabilitating the disabled public assistance recipients. Reducing dependency by rehabilitating thousands of persons in this group each year has been one of the major accomplishments of the rehabilitation program. About one-sixth of those who are rehabilitated each year are in this category and we are concentrating as much as we can of our funds and our staff to increase this proportion. The fiscal year 1964 request includes about \$1,500,000 for 30 projects to expand vocational rehabilitation services for the disabled public assistance recipients. Some very interesting and successful cooperative projects between the State vocational rehabilitation and State public assistance agencies have been carried out in Georgia and Florida. We have taken the best of their experiences and combined them into a prototype which we expect to start in 30 other States throughout the country. We think that these demonstrations, each lasting about 3 years, not only will do much to increase the number of public assistance recipients who become self-supporting, but will bring the State rehabilitation and State welfare agencies together on a much closer day-to-day working basis.

The budget justification gives further details on each of the above-mentioned categories and about the other disability groups on which the research estimate

was constructed. I would like to point out, however, that very interesting research is going on to improve rehabilitation techniques for the blind, the neurologically disabled, and the older chronically ill disabled worker. With regard to the last category, we are still driving ahead to develop better evaluation methods for determining the rehabilitation potential of this group and to open up more employment opportunities. About 30 percent of the persons rehabilitated by the State agencies are 45 years old or over.

The President in his Economic Report transmitted to Congress last month in discussing manpower developments stated that "To facilitate growth we must also steadily reduce the barriers that deny us the full power of our working force * * *. Just as we strive to improve incentives to invest in physical capital, so we must strive to improve incentives to develop our human resources and promote their effective use." In this day when national attention is centered on retraining workers who are out of work because of automation, age, lack of training, and other reasons which make them hard to place, I think the record of placing over 100,000 disabled workers into employment in 1 year, is a record that is worth particular notice. The role of our research and demonstration program in this accomplishment cannot be overemphasized.

TRAINING PROGRAM

The dynamic push forward of our State programs and the drive of the whole rehabilitation program is in large measure due to the growing number of professional workers who are coming into the program because of the Vocational Rehabilitation Administration training programs. The budget estimate for next year provides \$17,530,000 for training, an increase of \$4,230,000 over 1963. This increase will enable us to set up a new program for accelerating special professional training and rehabilitation workers concerned with the mentally retarded; include tuition costs as part of the stipends provided trainees in the important rehabilitation fields such as physical therapy, occupational therapy, nursing and social work; and provide for an overall increase of about 10 percent in the number of teaching grants and traineeships for training physicians in rehabilitation medicine, counselors, therapists of various types used in the rehabilitation process, and others.

Under the new training program for the mentally retarded, we plan to organize three regional training institutes, estimated to cost \$300,000, where counselors, social workers, psychologists, and job placement specialists will be trained together under practical clinical situations. This program is a must if we are to move ahead in the State vocational rehabilitation and related programs to accelerate the rehabilitation of the mentally retarded.

The shortages of professionally qualified rehabilitation personnel are still acute. We are moving ahead in getting rehabilitation training into more and more medical schools and the number of physicians taking residency training in rehabilitation is increasing. Next year's program on this area proposes continuing the progress at both the graduate and undergraduate level in this field. Our 1964 program includes grants to 70 medical schools for undergraduate training in rehabilitation medicine and 250 residency traineeships.

The number of professionally trained counselors in the State agencies increases year by year as a direct result of our training program. For next year we are proposing further expansion in this program, largely in supporting a somewhat larger number of traineeships. The State agencies expect to add another 400 counselors next year to bring their total counseling staff to almost 2,900. In addition, the State agencies in their disability determination operations are using about 750 disability counselor-examiners.

We are very much gratified with the special training programs we have been setting up for the deaf and next year we are proposing to expand this work.

One of the most dramatic illustrations of progress in our training program has been development within the field of speech pathology and audiology. In the few short years in which this program has been in operation, 58 training programs for the development of speech pathologists and audiologists dealing with the problems of the adult have been started, and over 450 individuals were supported by this program in 1963.

It is well known that there are serious shortages in the area of occupational therapy. In order to alleviate this shortage this Administration has initiated during the past year an experimental program for the training of occupational therapy aids at a center serving senior citizens in Chicago. The response to this program has been most enthusiastic and we look forward to the possible devel-

opment of this type of project as one device to meet personnel needs. Most encouraging has been the response and cooperation of the American Occupational Therapy Association in developing program goals and in the instruction.

The provision in next year's budget to provide tuition will put our training programs in a much more favorable position to get the better qualified applicants into rehabilitation. The fact that other training programs have had this authority for some time has often militated against the rehabilitation programs securing the best qualified trainees.

We plan to continue our short-term training courses at about last year's level. These courses give 3 to 5 days of intensive training in the latest rehabilitation techniques to the persons already working with the disabled. These courses have been particularly helpful in training State personnel to work with the deaf, the blind, the mentally retarded and the mentally ill.

SPECIAL REHABILITATION RESEARCH AND TRAINING CENTERS

We have made splendid progress in the development of the rehabilitation research and training center program. These centers meet a special need within the rehabilitation field. They serve to tie together medical and other research and training activities in a setting which is most conducive to experimentation.

Two centers were established in fiscal year 1962; one at New York University under the direction of Dr. Howard Rusk; and the other at the University of Minnesota under the direction of Dr. Frederic J. Kottke, in affiliation with the Kenney Institute with Dr. Frank Krusen. In 1963 it was possible to expand the program to include two more centers; one at Baylor University under the direction of Dr. William Spencer; the other at the University of Washington under the direction of Dr. Justus Lehman.

We have seen the purposes of these research and training centers come to fruition in that all of them offer a broad training program utilizing the results of research for instruction of students and for improvement of patient care. The Baylor University program is particularly unique since it involves the cooperation of a number of universities and institutions outside the direct control of the university. For example, the School of Nursing and the School of Physical Therapy at Texas Woman's University participate in this program as well as the University of Houston in its psychology department, and Rice University in its engineering department. This is a good illustration of the cross-fertilization which these research and training centers make possible—not only the training of physicians and the other professional personnel ordinarily associated with them in the process of physical medicine and rehabilitation, but also allied specialties such as psychology and engineering.

One of the developments we have already seen in this area is the beginning of an institute of psychology as it relates to rehabilitation growing out of the New York University center program. Similarly, we have seen the development of intensified investigation in the area of physiological aspects of rehabilitation at the University of Minnesota. These developments have been possible because the grants have allowed staff who might otherwise not be available to these institutions to be placed on the full-time faculty and allowed to develop their specialization in close relationship to an ongoing patient care program of rehabilitation.

The budget estimate for next year includes \$3 million to continue these four centers and to establish two new centers. We have already had inquiries from other institutions as to the possibility of their developing such centers.

INTERNATIONAL RESEARCH PROGRAM

Our international research program is now supported entirely by the purchase of foreign currencies which our Government already has to its credit and which are in the excess of its usual needs. This program is now in its third year and in its results has far exceeded our expectations. By the end of this year we expect to have approved about 50 research projects in the 10 countries where excess currencies are being used. The \$3 million requested for next year would permit us to fully fund about 45 additional projects. These projects supplement the research carried on in this country.

On my recent trip to Israel I reviewed with the Israel officials the operation of the rehabilitation research program. The 11 projects which are currently being carried on in Israel with excess foreign currencies provide some of the most interesting experimentation in dealing with a variety of disability problems

as could be found anywhere. It is amazing how similar many of the problems that country is struggling with are to those which concern us here. For example, a project being run by the Ministry of Health in Israel is studying a sample of cardiac cases with 2 or more years of hospitalization to find what social and economic benefits could be derived from providing this group with the latest up-to-date rehabilitation services. I am sure that the findings there will be of tremendous benefit to us in handling similar cases. In another project I saw an expert team of surgeons experimenting with techniques for restoring utility to hands paralyzed by leprosy. While this is not much of a problem in Israel or in this country, it is a problem in India and other Asian and African nations where leprosy is so much a burden. However, the benefits from such experimentation accrue to this country because similar surgical problems are faced by those attempting to rehabilitate arms paralyzed from other causes, particularly by accidents, and by such a common disease as arthritis. Lastly, a project for the blind which is being carried on by the Ministry of Welfare in Israel was stimulating because of the imagination it has used in combining talents of some of their best engineers with those in medicine to open up many job opportunities for the blind in the textile industry.

Perhaps the most important development from these projects is the good will that is built toward this country and the increased understanding that comes from working closely on problems of mutual interest. In all the countries in which there are these excess funds, Burma, Pakistan, India, Indonesia, Egypt, Syria, etc., there is increasing interest in developing projects for the groups of disabled which are the most burdensome—the blind, victims of leprosy, and others who are severely disabled.

There are certain aspects of the international research program which cannot be supported entirely from excess foreign currencies and in order to realize the full potentials from these projects we are requesting \$300,000 for the domestic support of this program. This amount is included under the appropriation for "Research and training." The "hard dollars" are needed to meet two problems that have become very apparent to us, particularly during the last year. First, is the need to facilitate the interchange of experts in rehabilitation research between the countries in which such research is being undertaken and the United States. Such research experts coming to this country could, on the one hand provide our experts with a better understanding of techniques that are being used in their countries, and on the other hand they could obtain from our scientists the latest U.S. techniques to put to use in their research. We started the interchange of American and foreign rehabilitation experts on a very limited, experimental basis about a year ago and the benefits both to us and to their countries have been beyond all expectations.

Next year's request includes provision for supporting 55 scientists in this country for relatively short periods of time (3 to 6 months). Their transportation would be paid for by foreign currency; the need for U.S. currency is for their maintenance in the United States.

The second use of this \$300,000 is to purchase scientific equipment in the United States needed on the research projects but which cannot be obtained with excess foreign currencies. Such equipment would be bought only in exceptional cases; but, sometimes the failure or success of a good project depends on the availability of such equipment.

SALARIES AND EXPENSES

The operating expenses for all VRA programs are provided for in the appropriation for "Salaries and expenses." The fiscal year 1964 request for \$2,905,000 is an increase of \$425,000 over 1963 and would provide 21 additional positions.

The additional positions for next year are urgently needed to administer the expanded program for mental retardation we have planned for next year; to add staff to our research and training program to deal with the large increase we expect in applications, and to put the demonstration program we have planned into operation; and to provide services to the expanding State agencies to assist them with their administrative and technical problems.

GRANTS TO STATES

An appropriation of \$88,700,000 is requested for grants to States in 1964—\$85,700,000 for the basic support program under section 2 and \$3 million for

extension and improvement projects under section 3 of the Vocational Rehabilitation Act.

Sec. 2.—Basic support grants

	1962 actual	1963 estimate	1964 estimate
Allotment base.....	\$90,000,000	\$110,000,000	\$140,000,000
Appropriation.....	62,950,000	71,240,000	85,700,000
Federal grants.....	62,950,000	71,240,000	85,700,000
State matching funds.....	39,462,520	45,000,000	53,900,000
Total funds available.....	102,412,520	116,240,000	139,600,000

A new alltime record was reached in 1962 when the vocational rehabilitation agencies rehabilitated 102,377 disabled people. Almost 25,000 more people were served in 1962 (345,635 over 320,963 in 1961).

In addition to the 102,377 rehabilitated, 18,273 were placed in employment but were not counted as rehabilitated since they had not yet proven their ability to remain employed, and another 24,925 had received rehabilitation services and were ready for employment.

With the increase in the number of rehabilitation facilities, more and more of the severely disabled are being served. In 1962, almost 23,000 clients received specialized services from rehabilitation and adjustment centers purchased for them by the vocational rehabilitation agencies.

It is also noteworthy that the number of mentally retarded persons rehabilitated in 1962 was over 8 times the number rehabilitated in 1955 (4,458 as compared with 531) and an increase of 25 percent over 1961; over 4 times as many clients with mental illness were rehabilitated (8,854 as compared to 2,041); and the number of deaf persons rehabilitated doubled (1,866 as compared with 927). About 30,000 or 30 percent of the 102,377 disabled persons rehabilitated in 1962 were 45 or more years old.

Over one-sixth (17,821) of those rehabilitated were receiving public support at acceptance or during rehabilitation at an annual cost of \$18 million in Federal and State funds. The cost of their rehabilitation amounted to \$18 million which is a "one-shot" expenditure instead of a continuing one.

Populationwise—55 out of each 100,000 population were rehabilitated in 1962 as compared to 51 in 1961 and 35 in 1954. The number of disabled persons served per 100,000 population also increased from 131 in 1954 to 176 in 1961 and 186 in 1962.

These 102,377 rehabilitants will contribute about 150 million man-hours each year to the Nation's productive effort. It is estimated that their annual earning rate will increase from \$44 million to \$211 million. It is gratifying when we realize that over 70 percent of the 102,377 men and women rehabilitated were not working at all at the time they were accepted for rehabilitation services; and that the remainder were earning very low wages.

The \$88,700,000 appropriation requested for grants to States in 1964 includes \$85,700,000 for the basic support grants under section 2 and \$3 million for extension and improvement projects under section 3 of the Vocational Rehabilitation Act. This estimate was developed from the program plans submitted by the States and is based on an allotment of \$140 million for section 2. It also includes an estimated \$550,000 to match State funds in those States which estimate that the State funds available will be more than the amount necessary to match their allotments on the basis of \$140 million.

Based on these estimated available funds and specific program plans in the States we anticipate that the number of rehabilitations will increase to 126,500 in 1964—16,100 more than the 110,400 estimated for fiscal year 1963.

Many of the vocational rehabilitation agencies are finding it more expedient to bring their programs of service directly to the source of their many referrals. Counselors and specialized trained personnel are being assigned to work on the premises of various public and private institutions. One such outstanding activity is in the field of the mentally ill and that of the mentally retarded where rehabilitation facilities are established in State mental hospitals and State training schools. California has started their program by assigning counselors in six of the largest State hospitals. West Virginia is initiating additional rehabilitation service units in State mental hospitals, making four in all, and another

rehabilitation service unit in the State training school for retardates. Idaho is establishing a rehabilitation facility at the Nampa State school for the mentally retarded. The State of Connecticut reports that one-third of their caseload in recent years are clients with disabilities of either mental illness, mental retardation, mental illness and mental retardation combined, or physical handicaps combined with emotional disorders. These are but a few examples of the progress that is rapidly spreading across the country.

Other activities include State agency personnel working closely with community resource groups and mobilizing to meet the transitional needs of the returning patient discharged from State institutions. The rehabilitation houses or halfway houses are proving to be of the greatest benefit during the transitional period between the institutions and the community and the need for such houses continues to increase. Other States are using foster homes programs during the transitional period.

With the ever-increasing emphasis and attention being given to the young people and their problems of today, our responsibility to the physically handicapped youngsters is even greater. Last year the Federal-State vocational rehabilitation program rehabilitated almost 20,000 persons under 21 years of age.

During the 1962 fiscal year, 21 States reported that vocational rehabilitation services for physically or mentally handicapped youths have been worked out with public and private school programs in order to help bridge the gap from the school setting to employment. Seven such programs were initiated under the extension and improvement program and are being continued under the basic support program.

Examples of the unusual public interest are exemplified in glowing reports of success from the State agencies. Iowa was one of the first States to pioneer joint effort between vocational rehabilitation, the public schools, and the employment service and at the present time is one of the leaders in providing rehabilitation services to the mentally retarded. Oklahoma has had such success in Oklahoma City that there is an increasing demand for rehabilitation from the public schools throughout the State. Texas found (through a pilot extension and improvement project which has now been extended to the support program) that the most effective and economical way of preparing substantial numbers for suitable and productive work has been through cooperative working arrangements with special education on a State and local level which make use of school personnel, facilities, and resources. Success has been evidenced by the fact that 58 percent of the total number served have been rehabilitated and are currently in suitable jobs.

Experience has proven that these cooperative agreements with the school systems are providing needed services at reasonable cost, gaining school and community acceptance as well as statewide and regional recognition. They are serving as a bridge between school and employment, eliminating long and deteriorative waiting periods and providing a means for individuals to become socially adequate and productive members of society.

Rendering services to the deaf is one of the most perplexing problems the vocational rehabilitation agencies have been confronted with due to the unique problems peculiar to this disability and the inability of the deaf to communicate. The usual training methods are inadequate and not feasible for this group. One of the newest breakthroughs into establishing specially developed facilities that will provide sorely needed services for the deaf has been made in Wisconsin with the establishment of a rehabilitation evaluation center for the deaf at Delavan. The facility, costing over a half million dollars, will be completed in 1963. Mississippi has also pioneered in establishing a training and evaluation facility at Jackson.

However, in spite of the many obstacles in serving the deaf, the State agencies report steadily increasing services to this group, both in the past and plans for the future. The Alabama Vocational Rehabilitation Agency has cooperated with the Alabama Institute for the Deaf and Blind in establishing a comprehensive rehabilitation center at Talladega. Georgia and Florida are each assisting in establishing evaluation centers for the deaf. Pennsylvania has spearheaded a drive to establish a special committee of State agencies serving the deaf in order to survey the needs of the deaf. Illinois plans to triple the counseling staff assigned to work with the deaf.

Audiological clinics and auxiliary service are being established. In practically all State agencies plans are being made to expand and strengthen services for the deaf by assigning specialized counselors to work with this disability—particularly at the State schools for the deaf. In some States work

is being done with deaf patients at State mental hospitals to determine the rehabilitation potential. Many of the mentally disturbed deaf have been found in have been originally diagnosed incorrectly.

Considerable progress in the rehabilitation of the hard of hearing has been achieved through provision of rehabilitation services at speech and hearing facilities. The provision of audiology, laryngectomy, speech training, speech therapy, hearing testing, auditory training and lipreading services have proved so vital in achieving rehabilitation that additional facilities are being planned.

In 1962 almost 18,000 persons who had been receiving public assistance or other public support were rehabilitated. The vocational rehabilitation agencies have been stepping up their programs through various means in order to improve and increase their services to this group. More and more of the agencies with large urban populations are arranging to have their counselors work closely with the welfare offices for better referrals and better and prompter rehabilitation services.

There have been several outstanding projects which have proven very successful in bringing rehabilitation services to these people. Georgia initiated a project under the expansion grant program in 1957 which is now a continuing activity under its regular program. This project which was developed in co-operation with the Fulton County Department of Welfare, concentrated on serving disabled fathers and mothers who were receiving aid to dependent children grants and proved how this group may again become productive citizens.

"Operation Hope" was a similar project which Florida originally started under the extension and improvement program. Missouri, like many of the other agencies, has added qualified and experienced counselors to work closely with caseworkers of the public assistance program to make special efforts to broaden the scope of services. Rhode Island used the "team" approach in dealing with this problem with the assistance and the utilization of voluntary resources in the community in their evaluation of public assistance recipients. Utah, also, developed closer working relations in those larger counties in the State where rapid turnover of welfare personnel caused a lack of utilization of rehabilitation services, and a Washington project provided more prompt rehabilitation services to public assistance cases in larger cities.

Although the submission of a formal project as such is not required under the basic support program the agencies report other organized developments such as the California priority system, the Oklahoma financing provisions whereby a substantial portion of State funds are made available to the rehabilitation agency by the welfare agency for the rehabilitation of assistance cases, and the Wyoming cooperative relationships which have resulted in such smooth working relationships that one-third of the rehabilitation caseload comes from welfare.

The State vocational rehabilitation agencies, which have the responsibility to assess the rehabilitation potential of applicants applying for disability benefits under the Social Security Act provisions, reported, in 1962, that almost 520,000 cases were evaluated. More than 10 percent of the total number screened were considered to have rehabilitation potential and were accepted as referrals and 4,700 persons were rehabilitated.

EXTENSION AND IMPROVEMENT PROGRAM

Eighty-six out of the ninety vocational rehabilitation agencies have made use of their extension and improvement allotments since the program was initiated in 1955 to extend and improve their programs. The \$3 million requested for 1964 will permit further expansion of services to the severely disabled groups. Examples of advancements that have been made through the use of extension and improvement funds are found in State mental hospitals, tuberculosis sanitariums, special schools for the deaf, the blind, the mentally and emotionally disturbed, the mentally retarded, as well as public and nonprofit schools where vocational rehabilitation counselors have been assigned. By working with the personnel of these institutions the counselors are able to obtain better referrals, to develop cooperative relationships with local community organizations whereby prospective employers are educated in hiring the handicapped. In 1962, almost half of the 93 projects were designed along this pattern. In the past, projects such as these have been proven successful in increasing the number of severely disabled clients served as well as the number rehabilitated and have been absorbed into the regular support program as a continuing activity.

The demand for the use of rehabilitation facilities and workshops continues to increase. The vocational rehabilitation agencies have been able to assist many of the public and private facilities under this program either through establishment or by the purchase of services. In 1962, 28 projects supported facilities which serve the severely disabled such as the mentally ill, mentally retarded, blind, cerebral palsied, deaf, and hard of hearing.

As we enter the era of increasing automation, employment opportunities in business and industry are changing and the counselors are faced with more complex problems in finding adequate placements for their clients. The agencies are making a concerted effort to resolve this problem by statewide surveys for employment opportunities, and more intensive interviews and followup of clients after placement. Other projects were designed to improve various administrative and program areas of a general nature.

The following is a summary of the extension and improvement projects in 1962 by the type of disability served and the activity provided:

By disability served:

Multiple disability groups.....	25
Mentally and emotionally ill.....	10
Mentally retarded.....	9
Blind.....	20
Aging.....	4
Deaf.....	3
Other disability categories.....	3
General improvement of program services.....	19
Total.....	93

By activity provided:

Establishment of rehabilitation facilities and workshops.....	28
Small business or vending stand programs.....	2
Assignment of specialized counselors or other professional staff to special disabilities or activities.....	41
Placement.....	8
Public and private cooperative relationships.....	4
Public information and public relations.....	2
Other general program improvement.....	8
Total.....	93

RESEARCH AND TRAINING

An appropriation of \$36,830,000 is requested for 1964, an increase of \$11,330,000 over the 1963 appropriation. Of the total requested for 1964, \$16 million is for research grants and demonstrations, \$17,530,000 is for training and traineeships, \$3 million is for the special rehabilitation research and training centers, and \$300,000 is for domestic support of the special foreign currency research and training program. These activities are conducted under authority of sections 4 and 7 of the Vocational Rehabilitation Act, as amended, and the International Health Research Act of 1960. These activities are described in detail below.

RESEARCH AND DEMONSTRATIONS

The \$16 million requested for research and demonstrations for 1964 will support a total of 404 projects, an increase of 106 over the 1963 program level.

In arriving at the 1964 estimate of \$16 million, a careful and detailed analysis was made. This included, for each disability group, a review of outstanding problems of rehabilitation, accomplishments to date and expectations under the current program, and the types of projects which would be most effective in furthering the program. Accordingly, the 1964 estimates provide for special emphasis on demonstrations in the fields of mental retardation, mental illness, rehabilitation of disabled public assistance recipients, the deaf and the hard of hearing. It is also planned to stress special studies of the techniques of rehabilitation medicine.

It is intended in 1964 to increase the application of the selected demonstration technique discussed later in this statement. Selected demonstrations are service projects whose methods are based on previous research findings and demon-

strated application. There will be a total of about 75 of these projects located in places where competent project personnel are available.

PROGRAM PURPOSES

The research and demonstration program is providing the opportunity for increasing the amount and the quality of rehabilitation services in any subject or geographic area where acceleration of the public rehabilitation program is needed. The pilot or demonstration projects, because they include new types of activity, make it possible to introduce new services into the program of selected State vocational rehabilitation agencies, which may be lagging in the provision of such services. The selected demonstration (discussed below) is particularly effective for this purpose.

Because the program uses both research and demonstration projects, careful distinctions are made in the functions of each.

1. *Research*.—Research projects are those intended to (a) yield new facts, principles, and theories; (b) develop or improve devices or practices requiring organized application of scientific disciplines and technical knowledge; or (c) provide the means for scientific evaluation of existing devices or practices.

2. *Demonstration*.—Demonstration projects are those intended to apply results derived from previous research or successful practice for the purpose of expediting general understanding and adoption of the selected practices. Such practices must (a) represent an advance over other methods; (b) have validity based on research or extensive successful experience; and (c) be generalizable to many service situations.

3. *Selected demonstrations*.—In order to use the demonstration technique to direct new methods into program areas chosen by VRA on a planned basis, a series of selected demonstrations had been established. A selected demonstration is a service project the methods of which were developed in previous successful research or organized practice and which otherwise meets the criteria for a demonstration. These methods and other essential factors of the prototype program are analyzed and written up by VRA staff as a guide to others interested in starting the new service in their agencies and communities. After termination of Federal support, local sponsors are expected to continue the service with local financing. Currently, seven categories of selected demonstrations are available, providing services for the mentally retarded, emotionally disturbed, those with low vision, older disabled, and disabled recipients of public assistance. The categories of selected demonstrations are continuously reviewed, unproductive ones are dropped, and new groups are added.

ACTIVITIES

In 1963 the planning and organization of the program was strengthened through careful identification and description of the major rehabilitation areas and problems in which research and demonstrations can make the greatest contribution in the next 5 years. This led to the conclusion that in 1964 special development should be pursued in the areas of mental retardation, mental illness, deafness, the rehabilitation of disabled public assistance recipients, and in techniques of rehabilitation medicine.

Mental retardation

In 1963, three lines of important future development were started in the area of mental retardation. These are: coordination of vocational rehabilitation and special education programs in local schools; experimentation with programed vocational training methods and with training of the retarded in regular industrial process; and community organization of comprehensive, long-term services.

Nine projects combining academic teaching and vocational services are underway, six in city or county school systems and three on a statewide basis. In Detroit, Minneapolis, Milwaukee, Montgomery County, Md., Kent County, Ohio, and Oklahoma City, projects have introduced workshops or work trials on competitive jobs into selected high schools together with vocational counseling and job placement. In Rhode Island, Alabama, and Georgia projects are designed to provide direct service or to stimulate eventual services in all or a large part of the State.

The rehabilitation approach in the Oklahoma City project has so impressed the high school principal that he has undertaken to revise the special education curriculum along rehabilitation lines, and other cities in the State have indicated

intentions to adopt the methods developed in the project. In Rhode Island, the State VRA will study the effects of intensive case finding, counseling, and vocational services to all retarded as well as other disabled students needing assistance in all high schools in the State. The Alabama and Georgia State rehabilitation agencies are working with State education officials to develop formats for rehabilitation services which can be feasibly introduced into many local secondary school systems.

Advanced experimental techniques for more effective training of retardates are underway in several research projects. Positive results from such projects will be incorporated into new selected demonstrations and reported for voluntary adoption by other service activities. A project at the Human Resources Foundation will test programed teaching machine methods in training retardates to perform skilled tasks in production of electronic components and other precision products in a competitive factory situation. This work will be done in conjunction with several small workshops to determine the feasibility of using the new methods in the traditional workshop. Even a modest degree of success in this project would permit the retarded to be trained for a much higher level of job and would elevate sheltered workshop operations professionally and economically. The Devereux Schools at Devon, Pa., also are experimenting with teaching machines for vocational training. Another project at MacDonald Training Center, Tampa, Fla., is evaluating use of motion pictures in teaching social behavior and personal adjustment.

In 1963, it is expected to start one project designed as a model for community organization of comprehensive vocational rehabilitation of the retarded in an average city. This will be a study of what it would take to provide adequate services to all retardates in the community. Numbers and types of personnel, facilities, costs, and administrative management requirements will be determined for optimum levels of service using current techniques and involving all available public and private services and resources.

The 1964 estimate includes \$2,735,000 for 72 projects in this category or nearly one-fifth of the total for this category. The 1964 program will cover a wide range of activities and will be very much in line with recommendations of the President's Panel on Mental Retardation and efforts of the administration to improve services for the mentally retarded.

Mental illness

Following the recommendations of the Joint Commission on Mental Illness and Health, projects are emphasizing services in the community to enable the discharged patient to secure and retain employment and the closer coordination of a variety of rehabilitation methods with the programs of mental hospitals.

Experimentation has contributed a variety of effective techniques of work therapy. Demonstrations have shown the stimulation which can be provided to a hospital program by introducing vocational counseling, training, group therapy, social group work, or employment of patients in selected hospital occupations. The usefulness of sheltered workshops has been demonstrated both for patients still within the hospital and for those who have been discharged. Research is being carried into the area of disabled delinquents or prison populations. Prevocational training, placement at discharge, and follow-up programs for emotionally disturbed offenders will determine the effectiveness of this type of treatment in reducing recidivism. Another new development in progress is provision of extended followup counseling services for discharged depressed mental patients.

From prototype experiments on work therapy, selected demonstrations of two types have been developed: Nine rehabilitation centers for emotionally disturbed workers and five halfway houses for groups of employed patients. Two of these have already been taken over for support by the community and three are nearly ready for such support. In addition to being taken over by the community, when the Federal support is terminated, these selected demonstrations provide a model of practical procedures which can be feasibly installed in many interested communities. The ratio of placements to persons serviced in such centers is high and service extends to any emotionally disturbed worker as well as ex-mental patients. Selected demonstrations serve as a continuing source of information for residents of other communities interested in setting up similar centers. Arrangements are frequently made for representatives from other agencies or projects to observe the actual operation of these new rehabilitation methods.

The 1964 estimate includes \$2,100,000 for 51 research and demonstration projects relating to the rehabilitation of the mentally ill. The VRA has had very successful experience, through the research and demonstration program, with halfway houses for employed ex-mental patients and workshops for the emotionally disturbed. In 1964 special emphasis will be placed on extending this successful experience.

Rehabilitation of the deaf

Research and demonstration in this very difficult problem has the twofold task of developing effective techniques for currently serving the deaf, and at the same time gaining more accurate understanding of the social consequences of, and adaptations to, deafness by the individual.

A VRA supported project at the New York State Psychiatric Institute, with a special staff trained to communicate with deaf people has investigated adjustment patterns among deaf people, and sought ways of modifying psychiatric therapy to make it effective with this disability group. This program is the only one of its kind in the country and has attracted nationwide interest. As a direct result of the project, the department of mental health in New York State has now established an experimental psychiatric unit for deaf persons. It is anticipated that this experimental unit will become a model for other States and will provide a source for training personnel to establish similar programs throughout the country.

A counseling center designed to work with deaf people has been established on an experimental basis at Gallaudet College. After thorough orientation, the staff offers counseling, guidance, and evaluation to local deaf adults as well as to college students. Research in this center will provide guidelines for the establishment of counseling and guidance services for the deaf throughout the country. Also at Gallaudet, a study is being conducted of the interaction of deaf people with hearing people within the metropolitan area of Washington, D.C. Community services are being surveyed with an eye to making them more readily available to deaf people. Significant epidemiological data on the family and community life of deaf people is expected from this project.

The 1964 estimate includes \$800,000 and 20 projects for rehabilitation of the deaf. The increase from 12 projects in 1963 to 20 in 1964 emphasizes an increased recognition of the need to demonstrate ways to extend the large range of community services available to the deaf.

Rehabilitation of disabled public assistance recipients

Recipients of public assistance who are disabled and eligible for public rehabilitation services constitute a major population subgroup which, from all indications, should benefit from aggressive application of the rehabilitation approach. With passage of the Public Welfare Amendments of 1962, and with the national interest in supplying more effective services to welfare clients, State rehabilitation agencies are being called upon to set up and deliver to clients of welfare agencies a greatly increased volume of specially organized services. A recent VRA report of experience with public assistance recipients during 1945-61 shows that this population was more difficult to work with. They were older, required more expensive case services, stayed in the caseload longer, and had fewer placements in better type jobs than the general client population of the State rehabilitation programs.

As early as January 1962, conferences of central office and regional VRA personnel were held to plan for launching a new series of selected demonstrations designed to provide rehabilitation services to disabled welfare clients and applicants through project operations in cooperation with welfare agencies. These projects will be directed by State rehabilitation agencies with planned services provided to project clients by both agencies. By the end of 1963 fiscal year it is hoped to have one such project in each region.

A new project in the California Division of Vocational Rehabilitation will place counselors in nine welfare agencies in seven counties, which vary greatly in geography, population size, wealth, industry, and rehabilitation resources, thus providing an extensive field test of rehabilitation methods.

Projects relating to the rehabilitation of disabled public assistance recipients are included in the program category "New patterns of service" (\$3 million for 64 projects in 1964) and will constitute about half of the total for that category. About \$1,500,000 for 30 projects are included for 1964. On the basis of some very interesting and successful projects, the VRA has developed a prototype applicable throughout the country. Emphasizing projects based on

this prototype will do much to increase the number of recipients who become self-supporting and will encourage closer day-to-day working relationships between State rehabilitation agencies and State welfare agencies.

New techniques in rehabilitation medicine

Medical research traditionally addresses itself to studies of the cell, organs, and organ systems; with a significant, though lesser, emphasis on integrated function. However, body parts and systems have their final significance in terms of the ability of the human individual to function as a whole in such a manner as to achieve his personal and social goals. Research in rehabilitation medicine is therefore directed toward the integrated, adaptive behavior of the individual in relation to his environment.

We can conceive of total medical research as existing at many levels: The cellular, the anatomic, the functional, the pathological, the integrative, the behavioral, and the ecological. Vocational Rehabilitation Administration sees the province of research in rehabilitation medicine as focusing on the last three levels, namely the integrative, the behavioral, and the ecological. This can be conceptualized in the following four categories:

I. The assessment of disability in terms of structure, function, and response to work stimuli through time.

II. The assessment of the efficacy of rehabilitation techniques on disability.

III. The study of the beginning of disability—its process and the significant causal and preventive factors.

IV. Assessment of organizational patterns in the medical management of disability.

Research and demonstration projects have been initiated in several of the categories, and problems discussed. These include studies of fluctuation in the range of cardiac effort for various types of vocational activities and activities of daily living; comprehensive followup on the clinical, psychosocial, and vocational aspects of problems associated with spinal cord dysfunction; and determination of energy expenditure levels during locomotion in various types of disabilities which will have applicability in the prescribing of rehabilitation treatment, including assistive devices, to minimize the work burden on the disabled person.

A study of total rehabilitation of patients with chronic pulmonary disease showed that no deleterious effect occurred as a result of placing hospitalized tuberculous patients on a combined program of physical activity and drug therapy. It showed that a program of early and complete rehabilitation during hospitalization offered these patients the opportunity of leaving the hospital as useful citizens of the community.

One project is undertaking coordinated physiological and biophysical studies for the evaluation of rehabilitation procedures employed in the care of individuals with severe neuromuscular, respiratory, and circulatory disabilities. This project at Baylor University College of Medicine will delineate the individual nature of disability and identify the extent of disease or injurious processes, as well as evaluate the effectiveness of current treatment procedures, devise new techniques in rehabilitation and improve present methods. Another interesting study was on work performance of the handicapped. This project, under Dr. Leonard J. Goldwater, at Columbia University, determined the personal and environmental factors influencing work performance of epileptics; identified factors amenable to medical control; developed methods of study for application to other handicapped groups, and developed guides to enhance employability.

Other studies in rehabilitative medicine have been concerned with determining the effects of prosthesis wearing in the rehabilitation of older amputees with peripheral vascular insufficiency; study of effects of stereotaxic cerebral surgery in combination with rehabilitation services and case selection factors, particularly for OASDI benefit applicants, in the rehabilitation of persons with certain dyskinesias such as Parkinsonism; and study and identification of the effects of training and other factors on cardiac patients before, during, and after a program of rehabilitation.

A study of the University of Washington Medical School has the biophysics of microwave energy as a basis for its therapeutic application and as a basis for control of hazards associated with the civilian and military use of high-energy radar beams.

The 1964 estimate includes \$1,875,000 for 47 projects in this category. As has been mentioned above, research medicine includes assessment of disability, assessment of efficacy of rehabilitation techniques, studies of the beginning of disability, and assessment of organizational patterns for the management of

disability. In 1964 the program will be accelerated in all four of the above subcategories, with particular efforts directed toward evaluation of disability, improvement of medical rehabilitation modalities and programs, and deeper understanding of the medical origins of conditions causing disability. Emphasis will be maintained on areas of more severe disability and groups for which adequate medical rehabilitation methods and programs still need to be constructed and tested.

Speech and hearing disorders

Persons with speech and hearing disorders form one of the largest disability groups in the country. It is estimated that about 8 million persons in this country are afflicted with some sort of speech and hearing disorder. The consensus of research and clinical personnel is that there are three major areas in which rehabilitation needs to be advanced. These are: new and improved diagnostic and evaluation methods; alleviation of the critical shortage of speech and hearing rehabilitation centers, particularly in smaller towns and rural areas; and development of coordination of rehabilitation services in speech and hearing with other types of rehabilitation services to insure total rehabilitation of the individual.

The Vocational Rehabilitation Administration has supported projects which include the areas of aphasia, cleft palate, esophageal speech, stuttering, clinical instrumentation in speech and hearing, lipreading, auditory testing and training, and speech discrimination.

Other projects in speech and hearing disorders supported by the Vocational Rehabilitation Administration have dealt with the organization and testing of services. A recent grant to the American Hearing Society is for the support of a project to experiment with ways of extending services for hard-of-hearing people to communities where these services do not presently exist. Good speech and hearing services are available in many of the large cities throughout the country, but there is a great lack of services in smaller communities. The American Hearing Society proposes to establish in two communities hearing units which will provide basic diagnostic and therapeutic services to hard-of-hearing people.

As an example of improving coordination between speech and hearing and other rehabilitation programs, a recent meeting sponsored by the University of Florida under a grant from the Vocational Rehabilitation Administration is expected to have a strong impact on the provision of audiological services to deaf people. Representatives of the American Speech and Hearing Association and representatives of the Conference of Executives of American Schools for the Deaf formed a liaison committee as a result of this meeting. This is the first time these two associations, which have much in common in providing services to deaf people, have made formal contact. Their liaison committee is charged with the responsibility for planning a program of action to improve speech and hearing services to deaf people throughout the country. An effective coordination between these two groups should lead to improved rehabilitation of deaf persons.

The 1964 estimate includes \$540,000 for 18 projects. Emphasis will be given to projects studying the best ways to extend services into small towns and rural areas, to projects concentrating on broadening the scope of services through coordination with other types of rehabilitation services, and to acceleration of projects dealing with the construction of tests and other instruments for diagnosis and evaluation.

Rehabilitation of blind people

In planning a research and demonstration program relating to rehabilitation of the blind, Vocational Rehabilitation Administration has taken into account the following problem areas: placement of the blind worker in competitive employment in industrial and professional fields, and in agricultural and rural pursuits; and use of psychological testing, and the development of mobility in the preparation of the blind for employment. Rapid technological changes in industry and agriculture which affect the skills required for successful placement, the lack of suitable psychological testing, and the need for improved methods in mobility call for emphasis on research and demonstrations in these areas.

Since 1956 a wide variety of research and demonstration projects concerned with blindness have received support from the Vocational Rehabilitation Administration. These have represented a collaboration between this Administra-

tion and a very large number of people who have ideas to overcome the handicap of blindness.

Certain outstanding results may be cited:

(1) At Georgetown University, a 2-year experiment has yielded a system of teaching spoken Russian to blind students with sufficient effectiveness for them to secure employment as translators and teachers. This was an experiment which offers considerable promise because of the present demand for accurate communication through language barriers.

(2) More than 20 demonstration projects have been highly successful in furnishing optical aids to several thousand low-visioned individuals within the definition of blindness in a number of different States, with the result that it will now be possible for this responsibility to be carried by other agencies. This is for those types of patients who hitherto were not encouraged to use eyeglasses by those giving regular eye examinations.

(3) At the Brooklyn Industrial Home for the Blind a study of the problems of deafness and blindness has produced a series of tests covering this subject in a thoroughgoing and practical manner, and this is now being followed through at the same agency by a program to train teachers of the deaf-blind.

(4) A study of mechanical and electronic devices for blind persons is underway at the Massachusetts Institute of Technology. The project is investigating a number of important problems including the production of braille and type-script copy simultaneously, a satisfactory collapsible cane, and electronic guidance devices.

The 1964 estimate includes \$850,000 for 32 projects. Increased efforts will be made to establish a series of demonstration projects concerning mobility training, projects will be supported which relate to expanding competitive employment opportunities for blind people, and other projects will provide for the construction of adequate psychological tests. The ongoing project at Georgetown University in the District of Columbia, in teaching blind students languages in order that they may obtain translation or teaching positions will be duplicated in other parts of the country.

Older persons and others with chronic and severe disabilities

There is an increasing demand for more effective rehabilitation service by the Federal-State program to older persons with severe traumatic or long-term disabilities or with chronic disease which has reached disabling degree. This is an increasing segment of the population. Since a high proportion of this group has multiple disabling conditions and relatively unsuccessful social and work history, there is high priority on development of more accurate techniques for making the complex medical, psychological, and vocational diagnoses and evaluations on which effective rehabilitation planning and action must be based. Also, this is an area in which methods of organizing and delivering services to this special population group currently constitute important subjects of study and demonstration. Improved methods for evaluation of the severe and complex case are being developed in three coordinated projects at Ohio State Rehabilitation Center, the Kenny Foundation (Minneapolis), and Tulane University Medical School. These projects have a common research design worked out by VRA and the project staffs. Experimental subjects are limited to applicants for OASDI disability benefits to permit comparison of existing and experimental methods for determining presence of disability and rehabilitation prognosis. Representatives of the Social Security Administration have participated in the development of the projects and continue to work closely with VRA staff.

Final published reports of projects conducted by the Butler Health Center, Providence, R.I., and the Arkansas State Rehabilitation Service have documented the effectiveness of multidisciplinary methods in working with severe disability and the importance of further research in the subject.

Through another group of 11 projects, based on a common VRA-developed design, technical and administrative methods and criteria are being developed for increasing the number of severely disabled served in the regular State rehabilitation programs. Eight of the projects are based in State agencies, and three in comprehensive rehabilitation centers cooperating with the respective State agencies. In order to concentrate services on cases going through the OASDI program, the project cases are limited to those in which claims have been allowed and in which the degree of disability is above the disability threshold normally applied by the State agency.

A number of projects are exploring relations between medical facilities, vocational services, and community conditions and services in order to establish

continuous pathways by which the older and chronically ill persons may progress with planned assistance from hospital to home and job. Some projects, such as those conducted by Highland View Hospital and Western Reserve University, are concerned with basic understanding of nonmedical factors in the makeup of individuals and their families which affect the capacity of the disabled persons to maintain a level of functioning outside the hospital. Other projects conducted by the University of Michigan in a State mental hospital, at Bird Coler Hospital, and Bronx Municipal Hospital, in New York, are instituting rehabilitation procedures as part of the treatment program of the hospital, and are also concerned with organizing necessary medical followup and vocational and social services which will be needed after discharge.

A project conducted by the Montgomery County, Md., Department of Health, has developed curriculum, training methods, and professional certification procedure for occupational therapy aids to work in nursing homes. The project has graduated three classes, most of whose members have been employed in nursing homes interested in providing more rehabilitation services to patients. The Maryland State Health Department has indicated intentions to take over sponsorship of the project and extend its benefits statewide.

The 1964 estimate includes \$2,300,000 for 51 projects relating to the rehabilitation of older persons and others with severe or chronic disabilities. Priority will continue to be given to projects dealing with methods of evaluation and prognosis of rehabilitation of the severely disabled; also increased attention will be given to projects designed to develop methods which will meet simultaneously the needs of the Social Security Administration in its administration of the OASDI program and State vocational rehabilitation agencies for determining insurance and rehabilitation eligibility and feasibility.

Counseling and evaluation

The steadily expanding vocational rehabilitation program has continuing need for greater numbers of counselors. In addition, there is need to improve and define further the diagnostic and evaluative tools used by counselors. Providing increased counselor service is becoming more difficult because of the tendency toward counselor specialization, increasing emphasis on rehabilitation needs of the severely disabled and the mentally handicapped, and the development of special rehabilitation programs for specific disability groups or for special segments of the population. To make the present counseling staffs more effective there is need for investigation and development of improved methods of evaluation and guidance of clients, and for the development of methods of training counselors in the resulting practices.

A number of projects have been approved to strengthen evaluative services and several projects have successfully experimented with work-evaluation and work-tryout programs within hospital settings. Although a number of studies generally applicable to counseling have been approved, there is evidence that counseling personnel could accomplish more if provided with new and improved counseling methods.

The 1964 estimate includes \$1 million for 27 projects in counseling and evaluation. Emphasis will be given to projects which will study in depth the placement functions of counselors in order to strengthen and improve this important step in rehabilitation. The VRA will encourage applications concerned with the counseling and guidance of the severely disabled, especially those exploring the effectiveness of the team or group methods of evaluation, planning, and treatment, and the counselor's role therein.

Development of experimental facilities

The term "facility" is used in rehabilitation to refer to a wide variety of medical, psychosocial, and vocational programs designed to meet particular needs of physically or mentally disabled persons. Variations among many of these programs are often present which may preclude uniform administration, standard provision of services and the like, as well as cause overlapping responsibility for client service or gaps in needed services. Some of these problems are traceable to variations in sponsorship or settings, ineffective community support, and program emphasis or range of services; whereas other differences may be associated with inadequate management and absence of an awareness of the potential of the rehabilitation facility technique.

It is estimated that at the present time there are 1,000 rehabilitation facilities composed of 200 rehabilitation centers and 800 sheltered workshops. Continuation of current trends and demands for service soon will result in growth far

beyond the present number. As this occurs it is imperative to have much more needed information on the many aspects of facility operation.

Several projects have been approved which have or will contribute to our knowledge about rehabilitation facility planning and operation. In the area of facility management, a project sponsored by the National Society for Crippled Children and Adults produced two basic principles and techniques for the efficient planning and management of comprehensive rehabilitation facilities. The same sponsor and the University of North Carolina have subsequently studied methods of improving subcontract and marketing operations of sheltered workshops.

The Massachusetts and the Arkansas rehabilitation agencies are conducting independent studies which will provide basic information on the feasibility of operating a statewide system of sheltered workshops and homebound programs, and much needed information on procedures for assessing statewide needs for workshop resources.

Rehabilitation center programs in Pittsburgh and New York City have evaluated methods of using facility services in the early return of newly disabled persons to industrial employment. The Sidney Hillman Health Center in New York, for example, is demonstrating the value of comprehensive rehabilitation services in a labor health center as well as maximum utilization of existing community rehabilitation resources.

Projects conducted under the auspices of Pennsylvania State and Oklahoma State Universities have resulted in improved knowledge about rehabilitation center design and construction, including special considerations for the blind. The National Rehabilitation Association and the Association of Rehabilitation Centers are working on three separate projects concerned with standards, data reporting systems, and criteria for sheltered workshops and rehabilitation centers.

The University of Missouri and the Kansas State Teachers College are pursuing projects that will give us much-needed information about the special services or structural modifications which may be required by the gifted but severely disabled student who attends college.

The 1964 estimate includes \$685,000 for 17 projects. Projects will for the most part be concerned with facility operation, support, and methods of program integration into the existing fabric of community services, and those research or demonstration projects which will explore new approaches to rehabilitation programs through the facility technique.

Other projects

In a diversified national research program there is a small number of important projects which are not readily assignable to the main program categories. Some of these projects cross many categories and contribute to the conduct of the entire research program. The VRA is taking direct action to disseminate results by planning and conducting conferences of top research representatives of projects and other leaders engaged in similar problems to assure rapid and direct communication of latest findings. The 1964 estimate includes \$115,000 for supporting the present level of five projects.

TRAINING

The 1964 estimate of \$17,530,000 provides for the strengthening of training programs in those fields where the shortages of personnel are seriously hindering the provision of rehabilitation services to the disabled and the extension of services to the more severe disabilities. Particular emphasis is given to programs in the fields of rehabilitation counseling, medicine, speech and hearing, physical therapy, and occupational therapy.

The estimate includes \$16,004,000 for long-term training grants and traineeships, \$1,368,000 for short-term training, and \$158,000 for research fellowships. Included in the above figures is an estimated amount of \$500,000 directed toward training specialists to work with the mentally retarded.

A discussion of our accomplishments and needs in the various professional training categories follows:

Rehabilitation counseling

Rehabilitation counselors are employed in State vocational rehabilitation agencies, rehabilitation centers, hospital rehabilitation programs, the public employ-

ment service, sheltered workshops, and a variety of rehabilitation programs in public welfare or public health agencies. They work in a close team relationship with physicians, social workers, and other professional personnel serving disabled persons.

Present estimates are that about 600 additional rehabilitation counselors will be needed each year to meet the needs of public and voluntary agencies for replacements or as additions to their expanding staff. The 1964 estimate provides for 46 teaching grants, an increase of 7 over the 1963 level. An additional 102 traineeships are also proposed, bringing the level to 874 in 1964, an average of 19 per training center.

Medicine

Several methods of increasing the supply of physicians specializing in rehabilitation have been adopted. One is through teaching grants to schools of medicine to make possible the instruction of undergraduate students in rehabilitation philosophy and techniques early in their professional training. Another method is by providing traineeships to medical students so that they may have an intensive work experience of 2 or 3 months' duration in research or clinical service in rehabilitation.

In 1962, 192 students received traineeships for 2 or 3 months of intensive work experience in rehabilitation. In 1963, it is expected that 250 students will have similar opportunities.

In spite of these advances, personnel shortages are still great. Although rehabilitation is a concern of many medical specialists, it is a primary responsibility of psychiatrists. The present number of qualified specialists in physical medicine and rehabilitation is about 420, and estimated needs are for approximately 3,000.

Still another need is for medical educators equipped to give leadership in instruction in physical medicine and rehabilitation. To meet the need for broadly trained academicians, an academic careers program has been initiated. Grants for this purpose offer opportunities to promising physicians for advanced study in fields that will enhance their qualifications for academic posts.

The 1964 estimate proposes a total of \$3,635,000 for 93 teaching grants, and 570 traineeships. This is an increase of 6 teaching grants and 81 traineeships. These six new teaching grants would include five new teaching grants for instruction of undergraduate medical students; and one for training of interns.

Of the 570 traineeships, 250 are for residency training in physical medicine and rehabilitation; 300 will be for undergraduate students interested in rehabilitation; and 20 will be for advanced training to prepare for an academic career in this field.

Prosthetics and orthotics

Since 1953, over 6,500 rehabilitation personnel, including prosthetists, orthotists, physicians, physical and occupational therapists, and rehabilitation counselors, have received specialized training in the fields of prosthetics and orthotics in the courses at the three major university programs supported by the Vocational Rehabilitation Administration.

Vocational Rehabilitation Administration sponsored traineeships have brought the teams of medical personnel to these classes where the clinic team approach to rehabilitation, practiced today in all of the major hospitals and specialized rehabilitation centers, had its initial impetus and development through student participation in the amputee clinic practice sessions.

Trained personnel in prosthetics and orthotics are urgently needed to staff clinic teams and rehabilitation centers throughout the country. There is also a great need to provide prosthetic-orthotic training to residents in orthopedic surgery and physical medicine during their residency training. In 1963 all approved schools of occupational therapy and physical therapy will have enrolled a faculty member in a pilot project that has stressed the incorporation into the training programs of prosthetic-orthotic education principles and techniques.

To maintain and expand the teaching resources of the three major training centers, \$613,000 is needed in 1964. This will assure the presentation of new courses in fluid-controlled mechanisms, lower-extremity and spinal orthotics, and a new approach to total-contact plastic sockets. Plans are progressing for the development of a specialized training program for orthotists who have already attained their certification, the first course at this advanced level for this field.

Speech pathology and audiology

The purpose of training grants in speech pathology and audiology is to increase the number of speech and hearing therapists qualified to diagnose and treat adults with communication disorders. During the period 1958-63, the number of universities with teaching grants has grown from 7 to 58 and the number of traineeships from 23 to 452. These grants have enabled the universities to strengthen their graduate courses and clinical practice so that graduates are better prepared to serve adults with speech or hearing problems.

To provide therapy for the 8 to 9 million individuals with impaired speech or hearing, an estimated 20,000 clinicians are needed, more than twice the number currently employed, and an estimated 1,500 students should complete graduate study each year. Less than 800 students complete graduate study each year; therefore, only about half the numerical need is being met. The Vocational Rehabilitation Administration provided 253 traineeships in 1962, and 452 will be supported in 1963.

The 1964 estimate provides for teaching grants at 63 educational institutions and 502 traineeships—increases of 3 teaching grants and 50 traineeships over 1963.

Occupational therapy

Grants to schools of occupational therapy have been directed toward increasing the teaching force so that more students could be admitted, increasing the rehabilitation aspects of the curriculum, and improving the integration of classroom and clinical courses. About half of the 32 schools have received teaching grants. The total enrollment of the 32 approved schools of occupational therapy is slightly over 2,100 and the number graduating each year is about 500. There are about 6,000 occupational therapists now in practice; the estimated need is for about 16,000.

A most significant development has been the marked interest on the part of experienced occupational therapists in graduate study to prepare for teaching or research positions. In 1962, 19 traineeships were awarded for such advanced training, and graduates are already taking key teaching posts. In 1964, \$785,000 is requested for this field, of which \$230,000 is for teaching grants in 26 of the 32 approved schools, and for 350 traineeships, an increase of 8 over the 1963 level.

Physical therapy

Because of high tuition costs and relatively low salaries, the schools of physical therapy operated at about 75 percent of student capacity in 1961. In 1962-63, the American Physical Therapy Association reported an increase of student enrollment to about 85 percent. Though this increase is encouraging, this is a matter of grave concern because physical therapy is an essential element in the treatment of nearly all categories of disability. Many hospital systems are without physical therapy departments, and established departments have many vacancies. Recruitment of students is the most vital need for this field. Additional graduate and undergraduate traineeships must be added to attract students to this field that has such a primary role in the physical restoration of disabled people. To develop the manpower potential, there is also an urgent need for continued expansion of existing school programs by the addition of qualified instructional staff and by the expansion of supervised clinical facilities.

About 8,400 physical therapists are currently in practice in the United States. An estimated 13,000 are needed for replacements or expanding programs. Since 1958, Vocational Rehabilitation Administration traineeships have been awarded to 77 experienced physical therapists for graduate study in physical therapy or related sciences, such as anatomy and physiology. Those who have completed their graduate training are now working in key teaching, research or administrative positions in the field. In 1963 20 physical therapists are expected to receive graduate traineeships. Since the inauguration of an undergraduate traineeship program for this field in 1961, which coincided with the withdrawal of assistance by the national foundation, there have been 405 junior, senior or certificate students enrolled with assistance of Vocational Rehabilitation Administration undergraduate traineeships.

1964 proposed program: In 1964, \$875,000 is required for 32 teaching grants and 350 traineeships, an increase of 8 traineeships.

Psychology

Indispensable to an adequate appraisal of a disabled individual's potential for rehabilitation is the psychological evaluation of his capacities and personality. Psychologists capable of constructing and adapting psychological instruments and techniques to the study and service of the severely disabled (especially the blind, deaf, mentally retarded, and cerebral palsied) are in extremely short supply and those who are interested in a career in serving the physically disabled are few.

Grants to strengthen the teaching of rehabilitation and psychological aspects of physical disability have been made to 9 university departments of psychology in 1963 and 47 traineeships have been granted for doctoral students interested in specializing in this field. Since 1957, about 50 students have completed graduate training, chiefly at the doctoral level. Funds totaling \$455,000 are requested for support of this field in 1964. This will provide 1 new teaching grant and 10 new traineeships (to allow an average of 5 at each university).

Other fields

Other professional fields of vital importance to the rehabilitation of disabled persons in which training grants are made are dentistry, nursing, social work, specialized training programs for rehabilitation of the deaf, rehabilitation of the blind, and pilot programs of interdisciplinary training. In each of these fields serious shortages of personnel exist which are hampering the rate of growth of rehabilitation services.

In 1964, \$2,934,000 is requested to support 72 teaching grants and 581 traineeships. This will provide \$321,000 for 15 new teaching grants and \$470,000 for 175 additional traineeships in the fields of nursing, dentistry, rehabilitation of the deaf, social work, rehabilitation center administration, and interdisciplinary training.

State in-State training

Staff development programs have been recognized as an integral part of effective administration of State vocational rehabilitation agencies for many years. Since the initiation of special project grants for in-service training of State agency personnel in 1958, two-thirds of the State agencies have made special, organized efforts to assure some measure of continuing training for their staff members. Nearly all agencies now have assigned responsibility, at least for part time, to a single staff member for direction of the postentry training. Planning for training programs at both State and regional levels has been placed on a systematic basis. The number of employees enrolled in university courses on a part-time basis has substantially increased.

In 1964, an amount of \$300,000 is requested for grants to State agencies, an increase of \$9,000 over the 1963 level.

Tuition

Only the field of rehabilitation counseling provided tuition in 1963. By adding tuition to traineeships in all other fields of rehabilitation in 1964, the universities can expect not only larger enrollments but a better selection of candidates to meet the manpower needs for these critical fields. To make possible an increase in the amounts allowed for traineeships to cover payments for tuition, the 1964 request includes an amount of \$2,073,000. It is essential that this step be taken in 1964 so that the policies of the Vocational Rehabilitation Administration may be brought into line with these of other Federal training grant programs.

Short-term training

Short-term courses are educational experience designed to orient professional personnel to rehabilitation philosophy and practice, to teach new concepts and methods, or to provide a refresher for those returning to practice. The need for continuing professional education throughout every professional person's working life is recognized by every professional field. In rehabilitation, which is characterized by rapid advances in medicine and changes in related rehabilitation techniques, the need for advanced or refresher courses is particularly great. As more workers in rehabilitation acquire basic professional training, the greater will be the demands for further training.

In 1964, \$1,368,000 is requested for support of 125 courses to be attended by an estimated 4,150 individuals.

Mental retardation

The pressing need for long-term and short-term training courses for the specialists working with the mentally retarded are discussed elsewhere at length. To accomplish this training of counselors, social workers, speech pathologists and audiologists, sheltered workshop personnel and placement specialists, provision must be made for at least three regional centers for short-term courses as well as field instructional units and clinical facilities in various treatment centers and facilities serving the mentally retarded. Provision for research fellowships earmarked for mental retardation is also included in the \$500,000 requested to support these training programs.

Research fellowships

Fellowships are awarded for research in rehabilitation for the purpose of producing new knowledge or to assist professional personnel to prepare for careers in rehabilitation research.

Since 1957, 122 individuals have received grants. The fields represented have included medicine, psychology, speech pathology, audiology, and a number of others. The research subjects have ranged widely—rehabilitation of the mentally ill, study of the usefulness of projective tests of personality with the adult deaf, language rehabilitation in aphasics, concept formation as influenced by sensory deficit in the blind, and the design of rehabilitation centers.

The shortage of research manpower in the field of rehabilitation is critical; additional people equipped for independent research are urgently needed. The research fellowship program at the predoctoral and postdoctoral levels supplements the support of traineeships at the postmaster's level in all professional fields for the specific purpose of developing research workers.

Funds amounting to \$158,000 for 39 research fellowships are requested in 1964, an increase of \$2,000 over the 1963 level.

SPECIAL RESEARCH AND TRAINING CENTERS

The request for 1964 will provide a total of \$3 million; \$2 million to continue the four centers begun in 1962 and 1963, and the remaining \$1 million for two additional centers to be established in 1964.

Since the inception of this program in the fall of 1962 a total of four Rehabilitation Research and Training Centers have been established. The two newest centers, located at Baylor Medical Center in Houston, Tex., and at the University of Washington in Seattle, have served to broaden the geographic coverage of these centers to the West and Southwest and from the standpoint of research and training to expand and enhance the work being done at the New York University Medical Center and the University of Minnesota.

All four centers are contributing a new perspective in modern rehabilitation training and research. They provide, in strategically located institutional situations, excellent in research, training, and patient care so that undergraduate and graduate students can acquire basic and advanced skills in rehabilitation medicine, psychology, social work, counseling, orthotics and prosthetics, engineering, and many other areas serving the disabled.

As an example one may consider our most recent addition, Baylor College of Medicine and the Texas Rehabilitation Center. Here in the city of Houston, Tex., we find a truly unique situation in which Texas Woman's University School of Nursing and School of Physical Therapy, the University of Houston, and Rice University in close and intimate collaboration with the Baylor University College of Medicine, have linked themselves functionally with the city-county hospital, Methodist, the Texas Children's Hospital, St. Luke's Episcopal Hospital, and the VA hospital to work cooperatively in advancing research and training in rehabilitation in combined programs under the aegis of the Texas Rehabilitation Institute. Here students in medicine and the medically allied arts and sciences, graduate and undergraduate as well as the practitioners in the professional fields come to study, to experience and to develop and use the most modern concepts in rehabilitation. Here with a wide variety of research going on in the laboratories, clinics, and treatment programs the teacher is able to link the past and present of modern rehabilitation with the future.

Excellent training programs for those in all the rehabilitation professions are currently underway. Pediatricians and surgeons, internists and psychiatrists, may be found working with specialists in rehabilitation medicine. Here too, they may see and participate in studies on the circulatory, the respiratory, the

neuromuscular systems as they are affected in health and in illness. Here they find out the meaning in practice of social work in helping to restore their patients to their potential status in the community, and the values of the counselor in restoring their patients' drive to engage in productive work.

Here, too, the patient who is afflicted with a disease or disability that requires special study, that is in need of modern diagnosis, treatment, and restoration may receive the benefits of hospital services. Up to 40 percent of the funds for research and training centers may be expended to support the care of patients being utilized in the research and teaching programs of the institution.

INTERNATIONAL RESEARCH (DOMESTIC SUPPORT)

Included in the 1964 estimate for "Research and training" is \$300,000 for expenditure in the United States only, for domestic support of the international research and training activities under the special foreign currency program under the provisions of the International Health Research Act of 1960.

The \$300,000 requested will be used for paying living costs while in the United States of rehabilitation experts brought to the States for rehabilitation research purposes, and for the procurement of essential equipment in the United States for use in research projects abroad.

The interchange of experts in rehabilitation discussed in detail under "Research and training (special foreign currency program)," under the International Health Research Act, was initiated in fiscal year 1962. It has been necessary to seek aid from nonpublic sources to accommodate the foreign experts once they reach this country. This has not been a satisfactory arrangement, and it cannot be extended to care for more than a very limited number. It is estimated that about \$150,000 of the \$300,000 requested for expenditure in the United States will be needed for paying transportation costs and living expenses of these foreign experts while in the United States.

Foreign currencies used to finance rehabilitation research projects in countries where currencies are available in excess of other needs of the United States can be expended only within those countries. There are items of equipment needed for these projects which are unavailable in those countries but which can be obtained in this country. It is planned to purchase such equipment in this country and ship it to the project site. It is estimated that about \$150,000 of the \$300,000 requested will be spent for equipment. Transportation costs will be met as far as possible from foreign currencies granted for the projects.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

An appropriation of \$3 million is requested for 1964 for the purchase of foreign currencies to support research and relative activities in the following eight countries: Burma, Egypt, India, Indonesia, Israel, Pakistan, Poland and Yugoslavia.

The international rehabilitation research program is now in its third year of operation and continues to make gratifying progress. Thirty-one projects are currently in operation and an additional 19 will be approved by the close of the 1963 fiscal year, using up all the funds made available in the 1961, 1962, and 1963 appropriations. The \$3 million requested for 1964 will permit the initiation of an additional 45 projects.

The foreign countries for which funds are requested in 1964 are those in which there are foreign currencies in excess to the needs of the United States. The research in these countries will be conducted under section 104(d) of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, as amended, and under section 4 of Public Law 86-610, the International Health Research Act of 1960.

Several of the research projects approved in 1961 are now nearing completion with extraordinary results. One of these, in Brazil¹ has been widely acclaimed in the Brazilian press. The Portuguese language newspaper *State of Sao Paulo* enthusiastically described this project as "a new program of great mediosocial significance to this country." It was the opening of Brazil's first national course to explore the feasibility of concentrated, short-term methods for training orthopedic bracemakers. The course compresses into 4 months of intensive work training which formerly required 2 years of orthotist apprenticeship in Brazil.

¹ Brazil will not be in the program in 1964, since there are no U.S.-owned Brazilian cruzeiros in excess of normal U.S. needs.

This paper also announced a related event of real moment to orthopedically disabled people—completion of the first braces ever to be produced in Brazil by modern mass production methods.

This two-pronged effort to fill the needs of hundreds of disabled Brazilians is one of the three research projects which the VRA is supporting in Brazil, the results of which go beyond the borders of Brazil. Peru has already joined the project, and much of Latin America will eventually benefit from it.

The Associação de Assistência a Criança Defeituosa, the local association for the aid of crippled children, is conducting the training courses for the orthotists with the help of two experienced instructors provided by the World Rehabilitation Fund. Volkswagen of Brazil is mass-producing the basic brace parts, making use of the latest developments in design and materials.

Through this project, Brazil has a new industrial activity and disabled people have the benefit of braces of superior construction, turned out quickly and inexpensively, and of more well-trained orthotists.

Results of comparable value are coming from other oversea rehabilitation research projects. In December I reviewed in Israel the operation of the 11 research projects which are being conducted under our international rehabilitation research program. All of these projects are outstanding. They are attacking rehabilitation problems which are of great concern to us in the United States and to them.

For example, the Ministry of Social Welfare is experimenting with methods of training the blind in the techniques of cotton weaving for work in the textile industries. Employment of blind in these factories will help overcome the serious manpower shortage in Israel. There are very few blind people in the United States who are employed in the cotton mill industries. We hope to be able to use the results of this project to bring about greater employment opportunities for our own blind people in this industry.

In other countries equally gratifying results are being achieved. On one of the projects, aimed at improving methods of rehabilitating people with leprosy, American surgeons are serving in rotation, using their medical skills to help develop improved techniques in Dr. Paul Brand's wonderful leprosy rehabilitation program in Vellore, India. They are returning home with many ideas to enhance their own research in this country.

The first of the foreign experts to come to the United States were an orthopedist and a physical therapist from the Children's Orthopedic Hospital in Bombay, which is conducting a research project for severely disabled cerebral palsied children, including those of working age. Dr. Mullaferoze, the orthopedist, has recently written us that her work in the United States gave her many new ideas for her research in Bombay.

The interchange of American and foreign doctors and other rehabilitation experts is one of the highlights of our international activities. The opportunities for personal contacts, firsthand observation, and the direct exchange of ideas and practices have added immeasurably to the value of the research being conducted. Not to be overlooked is the fact that this interchange strengthens relationships between the United States and the cooperating countries through the personal relationships which these experts establish. We hope in 1964 to arrange an interchange of rehabilitation personnel for each research project being financed with foreign currencies.

The program level for 1964 will support about 45 research projects and the interchange of about 55 rehabilitation experts. The 1964 foreign currency appropriation request compared with 1963 is listed below by country:

Research and training (special foreign currency program)

	1963 estimate	1964 estimate
Burma.....		\$125,000
Egypt.....	\$200,000	325,000
India.....	400,000	800,000
Indonesia.....	185,000	225,000
Israel.....	500,000	700,000
Pakistan.....	300,000	425,000
Poland.....	40,000	200,000
Syria.....	150,000	
Yugoslavia.....	225,000	200,000
Appropriation.....	2,000,000	3,000,000

The research, demonstration, and related activities carried on under this foreign currency program supplement and complement the programs conducted within the United States under the Vocational Rehabilitation Act, as amended. As noted, these oversea programs enable us to benefit from the progress that other countries are making in dealing with vocational rehabilitation problems, many of which are similar to those which confront us in the United States, and to avail ourselves of the unique talents and capabilities of foreign scientists working in the rehabilitation field. They also directly benefit the countries involved and contribute to the strengthening of country relationship and the furtherance of our foreign policy aims.

SALARIES AND EXPENSES

A 1964 appropriation of \$2,905,000 is requested to provide for 245 permanent positions and for 10 reimbursable positions from the Public Health Service. This represents an increase of 21 positions and \$425,000 above the 1963 level. Components of this increase are: \$146,800 for mandatory increases including \$97,000 increased pay costs, a decrease for nonrecurring equipment of \$2,800, and a program increase of \$281,000.

The program increase of \$281,000 is related to the expanded programs and workload in the research and training area projected for 1964; to the need for a much greater concentration of effort on the intensification of programs related to rehabilitating the mentally ill and the mentally retarded; public assistance recipients, and the deaf and the hard of hearing; and to the need for strengthening consultative services and assistance to the growing State rehabilitation service programs.

The "Salaries and expenses" appropriation enables the Vocational Rehabilitation Administration to carry out its responsibilities for (1) grants to States for the vocational rehabilitation of the disabled; (2) the Randolph-Sheppard program for State agency licensing of blind persons to operate vending stands; (3) the administration, with the Public Health Service, of the rehabilitation facilities provision of the Medical Facilities Survey and Construction Act; (4) cooperation with the Social Security Administration in the State agency operation of the disability determination program; and (5) research and training grant programs including international research and training programs using foreign currencies.

Increased emphasis has been placed on the rehabilitation of the severely disabled with resultant increases in the need for new and better ways of serving these clients, for more and better trained professional personnel, and for closer coordination between Federal-State and community resources. The States each year are appropriating more funds to extend their services to larger numbers of all types of disabled, requiring greater assistance from the Vocational Rehabilitation Administration in terms of technical and administrative aid. To meet the Administration's goal for vocational rehabilitation, progress must also be continued in strengthening State programs: in improving and expanding rehabilitation facilities, such as workshops and centers; in expanding research efforts to increase knowledge and to develop new techniques to permit improvement of our existing services; in providing additional demonstration projects to prove the feasibility of research findings; and in strengthening teaching and training grant programs in order to increase the supply of professional rehabilitation personnel and to increase the proficiency of existing personnel.

The 21 new positions in the program increase requested for 1964 are all directly related to the needs of the Vocational Rehabilitation Administration in carrying out its increased responsibilities as described above under a steadily growing program. The staff increases requested will be made in the following major areas:

1. *State program operations.*—A program increase of \$49,600 is requested for four professional and two clerical positions. One professional position is requested to provide leadership in working with regional representatives of VRA and State agencies with respect to the 1964 emphasis on extension and improvement programs for meeting the rehabilitation needs of the mentally retarded, the mentally ill, public assistance recipients, and the deaf and hard of hearing. Another professional position is needed to assist in providing technical and consultative services to States regarding strengthening and expanding rehabilitation services. Two counseling and guidance advisers are requested to provide leadership to counselors working with rehabilitants in disability areas being emphasized in

1964, particularly mental retardation. Two clinical positions are required to provide secretarial services for the professional positions requested.

2. *Research and training.*—A program increase of \$111,100 is requested for eight professional and two clerical positions. One professional position is needed as Assistant Chief of the Division of Research Grants and Demonstrations. Another position is required as executive secretary of a new (fourth) study section to be established because of the growth in the number of research projects and demonstrations in 1964. Another professional position is needed in the training program for strengthening training in the fields of occupational therapy and physical therapy. Three professional positions are requested to provide consultation regarding rehabilitation of the mentally retarded. Also requested are two professional research positions for the small intramural research initiated in 1963. Two clerical positions are required to provide stenographic services for the professional positions.

3. *Executive direction and program coordination.*—A program increase of \$28,800 is requested for two professional positions for this activity. These positions are needed in the health and medical area to provide consultation to State agencies regarding the rehabilitation of the severely handicapped.

4. *Management services.*—A program increase of \$20,000 is needed for three positions in the statistical, mail and files, and fiscal accounting service areas because of the proposed program expansion.

MISS SWITZER. I would like to give you a little summary and then we can proceed as usual.

PROGRESS DURING PAST YEAR

The year just over is one of the best we have ever had in terms of service to disabled people of all kinds, the actual number of rehabilitations and the influence of rehabilitation philosophy on other programs, not only here but around the world. It was abundantly clear that the Department, the States and all the organizations that have the responsibility for the public program of rehabilitation have enlarged their stature, their scope and ability to deal with the programs of disability.

One of the interesting events of the year was the recognition the President gave us last August when we celebrated the halfway mark toward our goal. Mr. Celebrezze had just been appointed and the President received him and me and the young man we called, symbolically, "Mr. Rehabilitation of the Year." This was a very interesting occasion because the President gave us a tremendous sense of support and backing, which was translated into good budget support as you will see, and also into a broad-based legislative mandate which will be of special interest to you, Mr. Chairman, since you have always been interested in the legislative base.

There was just recently transmitted to the Congress another bill to that end. The bill, which I understand is to be received today, is along the lines of your bill—they have quite a lot of elements in common. So all of this has been very encouraging and very challenging and, of course, puts a great responsibility on all of us.

INCREASED STATUS IN DEPARTMENTAL ORGANIZATION

I think also that the reflection of the confidence of the Secretary in the Federal part of the Federal-State partnership is evidenced by his recent reorganization of the Department, in which he renamed the Office and changed the title of the Director. And if I can believe the fan mail we received, there must be quite a status symbol in this title.

Mr. FOGARTY. You do very well with all the Secretaries I have known.

Miss SWITZER. I think we must live right.

It is not a hard program to sell, as you know. Sometimes it has seemed as though it is more difficult to emphasize the positive effects of this program than the things that you can do in the health and welfare field. But I think our present Secretary, Mr. Celebrezze, has a fine philosophy about the importance of the three parts of the service program to people—in social security, the disability program, the welfare program and all the things that go with it, and the rehabilitation program. He feels that each one has its own special role.

You will remember last year former Secretary Ribicoff had somewhat different ideas about how to put these things together.

GOAL OF 200,000 REHABILITANTS PER YEAR

At any rate, the Secretary has given us the greatest amount of cooperation possible and has made it clear that he expects us to deliver. He hopes we will hit the 200,000 mark pretty quickly. We will not make it next year, but we will be pretty well on our way.

Mr. FOGARTY. When do you think you will make it?

Miss SWITZER. I do not like to guess, but we are asking for the support this year in the budget which would mean that we would be—maybe 25,000 ahead of where we are now, pretty well over the 125,000 mark in 1964 I think. So we ought to be there maybe 3 to 5 years from now.

It is very interesting how the momentum of support year after year builds up. I think we will move faster, in other words, in the next 3 to 5 years than we have moved in the last 3 to 5 years.

I think one of the most encouraging things is, in light of the fiscal situation throughout the country, that the budget before you today for grants to States reflects the fact that States are planning to increase their funds next year about 20 percent, that is from \$45 to \$54 million.

Now, this is in the face of tremendous competition for State funds.

COOPERATION FROM GOVERNORS

I have had a number of letters from Governors, one this morning from Massachusetts, that reflects the kind of spirit which results from the total activity and from people having listened to the rehabilitation story and learned a lesson. As government people, he wrote, you know what the competition for funds is, you know how we do not want to raise taxes, and so forth; but I have instructed my budget officer to go over this and be sure that every possible dollar that we can give to rehabilitation be given—so that we can pick up the full Federal allotment.

This is a lot for a Governor to say in light of the competition for funds, I might say. And the same thing has been true in several other instances; Tennessee, West Virginia, and other places.

BUDGET INCREASES

The present budget does reflect the commitment of the President and the Budget Bureau to match all State funds that become available next

year as far as we can see them now. This means that we have an increase in the allotment base from \$110 to \$140 million, and a recommended appropriation, to take full advantage of an increase in appropriation of State funds, of \$85.7 million.

In addition to that, we are continuing the effort to match available funds in the maverick States of District of Columbia and Delaware, which suffer from the idiosyncrasy of the formula and in Nevada. You will recall that last year you allowed a certain amount for this purpose so this year we have an extra amount in for those three States.

We have also seen an interest in stepping up the extension and improvement grants, section 3 of our act, and we are requesting an increase in that also.

Perhaps the most significant increase is in our research and training appropriation, because here the Secretary has recognized that this is an opportunity to really push ahead in some of the areas that the President is most interested in—mental health, mental retardation, and the tapping of some of the difficult public assistance programs and projects. And we are asking for a substantial increase in this program for next year. And this year we had very successful projects come in.

We have, or by the end of this fiscal year we will have, about \$2 million worth of projects approved, which we will not have money to pay for. We are already pretty close to half a million dollars in projects ahead now. And these are in the fields that we are desperately interested in, pushing ahead in new efforts to rehabilitate the mentally ill, the deaf, and so on. And, of course, naturally, with the President's interest and his special legislation and special push in the field of the mentally retarded and the mentally ill, we are putting special emphasis there, too, and a substantial part of the accomplishments in the States and a substantial part of what we are asking for next year, both in research and training, is to take advantage of everything we know and can do in those fields.

PROGRAM ACCOMPLISHMENTS

We are constantly increasing the number of the mentally retarded rehabilitated, the actual number and the relative percentage of the number to the total. Last year 4,500 were rehabilitated. In 1963 we estimate 5,400. We hope in 1964 it will be 7,500. This is small, but this is a tremendously big increase over almost zero in 1950. But I think even more important is the work we are going to be able to do through our demonstrations, because we have already now in operation 36 projects and we will have certainly many more, and major departures in the mentally retarded field; so that not only will we be able to report rehabilitations through the Federal-State program, but we will also have additional rehabilitations, a great many more, to report through our projects in this current year.

The demonstration projects gave services to more than 20,000 people and more than 1,800 were rehabilitated in addition to the 102,000. So gradually the facilities throughout the country in these fields that have been neglected before, are expanding and extending their influences to reach more and more people.

As we get the network more tightly put together, of course our objective is to have services available to everybody who can use them and need them.

RELATIONSHIP OF REHABILITATION TO PUBLIC ASSISTANCE

Now, we attach a great deal of importance to the relationship of the rehabilitation program and the public assistance program. We always have, because we feel one of our major missions in life is to reduce dependency and to prevent it. We do not know exactly what percentage of the total the number taken from the public assistance rolls should be, but it remains fairly constant, somewhere between 15 and 20 percent, varying depending upon conditions.

We do, however, feel that the new welfare amendments have given added impetus to this, added interest to the communities and have made it even more important that we use our resources to work together with the departments of public welfare to show the way to do a better job in this area. Next year we will be stepping up our production in this field.

In the year just over, we rehabilitated about 18,000, or one-sixth of the total rehabilitated; and this was quite a good effort. We think now that next year we will have a real intensive drive in this field. We should be able to show what can be done working jointly in the States so that both the public welfare agencies and the rehabilitation agencies, will have a better posture to present to their own legislatures. They will recognize the importance of working together in this field to get increased positive results. At this time State welfare agencies are having a difficult time with the investigations and all of the adverse publicity that is coming to public welfare. We think this working together is one big contribution we can make in this field, and we are making it and will continue to do so.

REHABILITATION OF THE DEAF

We also think there are some neglected areas that we need to step up very sharply and the only limitation, I think it is fair to say, in this is the availability of enough people who have the imagination and the creative drive to help us. One of these fields you highlighted last year in your report, and that was the field of the deaf. I really do agree 100 percent that the work with the deaf is among the most baffling of problems that we have to deal with. The people who can study the ways in which you can break down the isolation of the deaf are few in number.

But, interestingly enough, there are more qualified people coming into the field and Dr. Samuel Kirk, out in Illinois, the man who won one of the Kennedy awards for his research work on problems of mentally retarded people, has a great interest in this field and has a good group of young research people with him. We hope that this will offer some promise.

We are also attempting on a rather broad scale throughout the country to find institutions that will deal with the readjustment of the deaf, and working with the residential schools will help us to find ways to open more doors of opportunity.

I think one of the great inhibiting factors to the progress of the deaf in general is that the occupational doors that are open have been fairly limited.

It used to be, you know, we thought of the blind as broommakers and workshop workers; whereas, now, of course, they are every-

where—on the production line and everywhere else. Traditionally, by and large, the numbers of employed deaf people are in certain relatively restricted areas, and there has been a tendency on the part of those who are responsible for their education to try to make better the restricted opportunities, instead of trying to broaden them. And we are very conscious of this.

I think all of the people in the Department responsible for any phase of our work with the deaf are interested in this, and we are limited only by the places and the people that we can get to work with us in it.

I mention that because it is something very close to this committee.

RESEARCH AND TRAINING

We continue also to search for places where we can get better work done, radical work done, in fields like epilepsy, multiple sclerosis, and some of the other neglected neurological fields. I believe that we approved one very promising project in California last week, a surgical approach to epilepsy, and I think that this is going to give us some very good examples of how to deal with that situation.

We planned to program research next year in a way in which it will give a balance to the field of medicine, the psychological factors, and the employment factors. And I think this is well brought out in the justification you have before you.

We are asking people on the outside to consult with us, like Dr. Rusk, Dr. Spencer, Dr. Krusen, and others in the medical field, and the psychological field, people who have worked on the panel for the President on mental retardation, to counsel with us and help direct our effort so we will get the most for our money.

In the training program, at the same time, we are trying to improve and increase the number and quality of personnel and we have asked for an increase of \$4.23 million for this purpose. A good part of that is to pay tuition and equalize our grant opportunities with other parts of the Department.

We naturally have in the training program extra emphasis on training for people to work in the field of mental retardation.

Our major responsibility is in those fields where no other part of the Department supports: physical medicine, rehabilitation counseling, physical therapy, occupational therapy, and so on.

I think one of the most dramatic illustrations of what we have been able to do in this field is in speech pathology and audiology, because we have not been in operation in this field very long, and now we have 58 programs for the development of speech pathologists, and 450 people will be supported in this program in 1963.

What is even more encouraging is that these centers where we have training programs are really the "cream of the crop" centers, and this is where much of the research is being done. This is where much of the advanced education can be carried on.

SPECIAL RESEARCH AND TRAINING CENTERS

Finally, we have in the budget an additional \$1 million to establish two, at least two more, special research and training centers.

You will recall that two were established in 1962, one at New York University and one at Minneapolis, University of Minnesota, and in fiscal 1963 one at the University of Washington, and one at Baylor, University in Houston, Tex. We hope, if you approve of this trend, that we will be able to encourage applications from enough interested universities so that we could add two more next year.

We think that this is a very important part of the long-range, depth growth of the places where, by virtue of their stature and emphasis on rehabilitation across the board, will be the centers to which we can look for leadership in research and in training, turning out good people and good ideas.

INTERNATIONAL RESEARCH

I want to say a word about our international research program, which I think is better than ever and more successful. I took a trip to Israel in December and if I ever needed any evidence of what a small investment our counterpart funds can do, I saw it there. It was very thrilling to me to see how the same problems that concern us in a different aspect are being worked on there. Naturally what we are able to do with this program in Israel is extremely helpful to them, but it is going to be just as helpful to us.

They have projects which, when they are through, are going to show us the way to very, very interesting new developments, new facts, new emphases.

They have the opportunity in Israel to do things that we do not, because they have their little settlements that would seem cooperative settlements so that they can experiment in more or less controlled groups.

They have a very interesting project in the rehabilitation of heart victims they are training to go back into agricultural work. Of course they have a very highly sophisticated level of medical research talent and a fine university setting. Some of their physical facilities we would consider to be less than ideal, but in some of those the best work is going on, too.

There are some very fascinating and colorful people who are concerned with what we are interested in, such as studying the economic effects of disability. They are experimenting in very revolutionary kinds of work; for instance, the blind; they have a young blind population in contrast to our blind population which is old. They are very conscious of the need for not having this young blind population dependent the entire span of their lives.

So we are asking for an additional \$1 million.

Mr. GARRETT. \$3 million in total.

Miss SWITZER. That is what we are asking totally, but that is an increase of \$1 million in the total.

Mr. GARRETT. The \$3 million is for purchase of foreign currency.

Miss SWITZER. Yes. Then we have a request for \$300,000 in hard dollars, which would be in our own research program, which would be spent here in the United States in connection with the interchange-of-experts program and special supporting things that need to be done to make our projects abroad more effective. And this is an important part of the program. I hope it will be something you will consider favorably. It does not affect the balance of payments to purchase

scientific equipment and things here in the United States that will make the projects more effective.

Now, you will remember that we have projects in Israel—Israel, Burma, Indonesia, Poland—we have not had any in Poland yet—Yugoslavia and Brazil. This is a wonderful use to make of excess counterpart currency. It just, I think, pays off 10 to 1.

Dr. Rusk went to Egypt when he was on his trip last fall and found the interest there so high that when we received a project from the rehabilitation center in Cairo, it was one President Nasser had personally ordered be signed because he was that much interested. There is not only a human and scientific importance to these projects, but there is also a very high political importance in these days of competition for people's spirit.

ADDITIONAL POSITIONS REQUESTED

And, finally, I come to salaries and expenses, which is always a difficult area for me, because we are always so short, and this year is no exception. We are asking for 21 additional positions. This is sort of absorbing some we lost as a result of absorbing the pay act this year, but we perhaps can come to the detail of those when we get to the budget.

So this would conclude the summary of my opening statement, Mr. Chairman, and I will be glad to go into more detail as you wish.

Mr. FOGARTY. That increase of 21 is a very modest increase for you to be asking for.

Miss SWITZER. Yes, it is very modest—the only thing I am never able to sell even to the Secretaries who love me the most, is an increase in personnel.

GRANTS TO STATES

INCREASE IN ALLOTMENT BASE

Mr. FOGARTY. The appropriation for 1963 is \$72,940,000 for grants to States, and the request for 1964 is \$88,700,000, an increase of \$15,760,000. The allotment base for 1963 is \$110 million and the request for 1964 is \$140 million, an increase of \$30 million.

What occasions the need for such a large increase in the allotment base?

Miss SWITZER. Well, it is needed in order that the State moneys that are in sight can be matched, and in order to make available to the States some assurance that if they come through the money will be available. This \$140 million allotment base represents the best estimate we can come up with so that the maximum amount of State funds that we see available will be picked up.

Now, anything less than that will leave State funds unmatched, and it was the policy this year of the administration to come as close as we possibly could to matching all State funds available.

This is just the arithmetic, what it takes to come to the justification.

Mr. HUNT. We had to use \$140 million to pick up the funds.

Mr. FOGARTY. How did you do on the basis of \$110 million this year? I would like you to put a table on that in the record.

Miss SWITZER. There were unmatched State funds amounting to about \$201,000; that wasn't too bad.

Mr. FOGARTY. How many States?

Miss SWITZER. Let's see, seven or eight. Seven States.

Mr. FOGARTY. Put that in the record.

Miss SWITZER. Yes.

This shows also the distribution of the \$240,000 proviso.
(The information follows:)

State funds available in excess of matching requirements and Federal grant earnable (if Federal funds were available) under sec. 2 of the Vocational Rehabilitation Act for fiscal year 1963

State	Estimated in President's 1963 budget		Present estimate					
			Total available		\$240,000 authorization		Differences	
	State funds in excess	Federal funds they would earn	State funds available	Federal funds they would earn	State funds required to match Federal funds available	Federal funds available	State funds unmatched	Federal funds they would earn
Total.....	\$224, 043	\$233, 580	\$376, 055	\$516, 072	\$174, 884	\$240, 000	\$201, 171	\$276, 072
Arkansas.....			55, 988	130, 639	26, 037	60, 754	29, 951	69, 885
Colorado.....			21, 495	33, 805	9, 996	15, 721	11, 499	18, 084
Delaware.....	22, 890	22, 890	27, 420	27, 420	12, 752	12, 752	14, 668	14, 668
District of Columbia.....	188, 766	188, 766	174, 343	174, 343	81, 078	81, 078	93, 265	93, 265
Kentucky.....	7, 126	16, 627	24, 430	57, 003	11, 361	26, 509	13, 069	30, 494
Nevada.....	5, 261	5, 297	22, 395	22, 548	10, 415	10, 486	11, 980	12, 062
Pennsylvania.....			49, 984	70, 314	23, 245	32, 700	26, 739	37, 614

Mr. KELLY. Even with the \$140 million allotment base, Mr. Chairman, we still need this additional piece of language to make available \$550,000 in order to take care of three States that will not be taken care of on the basis of our best estimates, Delaware, the District of Columbia, and Nevada.

Miss SWITZER. Nevada, yes. Last year you recall it was Delaware, the District of Columbia, Nevada, and Kentucky.

Kentucky is taken care of this year.

These States, the District of Columbia and Delaware, are the victims of an idiosyncrasy of the formula.

We can't help them. Nevada happens to be affected by another aspect of the allotment system, and so in a reverse sense, you might say that it is a victim.

We have recommended the proviso for the express purpose and only for the purpose of picking up the money that these States have said will be available.

We are informally advised that the District of Columbia and possibly another State hope to have quite a bit more but this is all—

DESIRABILITY OF CHANGING FORMULA

Mr. FOGARTY. Do you fully understand the formula? I don't—

Miss SWITZER. I feel I don't have to, you see, because I have Mr. Hunt and Mrs. Lamborn and they understand it.

If they do the arithmetic and I don't catch them in a mistake, I feel I can stand by it.

Mr. FOGARTY. Have you given any consideration to changing this formula?

Miss SWITZER. Yes; we have given a lot of consideration to it. Actually we seriously considered it this year when we were recommending changes in legislation. Unless we went to some simple open-end kind of thing like matching—it would have to be a high matching ratio because it varies so—anything you do, any formula we have been able to come up with, creates more problems than it solves.

If you try to simplify it, well, then, States lose money.

If you try to help the States that are at a roughly 50-50 matching level, in the big States, which is really where more money would do a lot of good, then you run the risk of just putting more Federal dollars in for the same amount of State dollars, and you don't add anything to the total.

Unless you could go to a fairly simple, open-end appropriation which would say the Federal Government will match 75 percent Federal, 25 percent State—you would have to go to this or otherwise the 70-percent States wouldn't get any benefit.

So it is not an easy thing to change a formula that has been developed. It isn't really.

Mr. KELLY. Actually the willingness of this committee to go along with the allotment base in order that we can match States at a higher rate than the formula based on the appropriation sets has made it possible to live with this complicated formula without injuring any of the States and getting the highest potential from the rehabilitation program.

Miss SWITZER. That's a good point.

Mr. KELLY. And maintaining a carrot in front of those States who are not doing as well in relationship to their sister States and making it clear to them how far along they are.

So I think that this committee, by allowing us to use this amount, this allotment base, has really made the formula in the law very workable.

Miss SWITZER. That is a very good point, Mr. Kelly. I am glad you made it.

PROGRAM INTEREST BY STATES

Mr. FOGARTY. This progress during the last 2 or 3 years, is that a result of an across-the-board increase in interest in the States or are there 4 or 5 States—

Miss SWITZER. Across-the-board, but of course, there are always the lead States.

Mr. FOGARTY. Which are the lead States?

Miss SWITZER. Well, let's see, Pennsylvania, Georgia—

Mr. FOGARTY. Georgia has always been way up there.

Miss SWITZER. New York, if you take the total development, you have a certain number of States and if you take a total increase—

Mr. FOGARTY. Where is Rhode Island on the list?

Mr. HUNT. Picks up its entire Federal allotment, 100 percent.

Mr. FOGARTY. Three years ago it didn't.

Mr. HUNT. That's true. That's true. But it does now.

Miss SWITZER. You have Pennsylvania at 99 percent, and Oklahoma 83, that's not bad. New York is 89, that's a good State. Massachusetts is only 79, but with the Governor back of us—

Mr. HUNT. West Virginia does very well, Mr. Fogarty.

Miss SWITZER. So does Kentucky, Hawaii—

Mr. FOGARTY. How about Virginia?

Miss SWITZER. Virginia is only 42 percent.

Mr. HUNT. Virginia is only 42 percent of its allotment.

Mr. FOGARTY. I am not surprised.

Miss SWITZER. Arkansas is a very good State, 98 percent. Very good.

Mr. HUNT. Colorado is going well.

WISCONSIN

Mr. LAIRD. Wisconsin does not do very well.

Miss SWITZER. No, unfortunately.

Some of the big States that would have the greatest gain by concentrating on this program which we have always known would—States like Ohio, for example, and Michigan—would benefit greatly from even a 10-percent increase in the allotment that they picked up. They have improved and little by little they are coming along but they are a long way from where they need to be to serve their people.

After all there has been a 20-percent increase in all the funds available for the States. This means almost every State has some little increase.

We have a number of Governors who were with us, Tennessee being an example, and this program is very close to their hearts.

Mr. LAIRD. What is the difficulty in Wisconsin?

Miss SWITZER. I thought you should be able to tell us that.

Mr. FOGARTY. You might as well answer it now as later.

Miss SWITZER. Wisconsin, it is just that simple, the legislature didn't appropriate the money. Why doesn't the legislature appropriate the money?

I think that they just don't understand the potentialities of the program. That's all.

They just don't understand.

Mr. LAIRD. I find Wisconsin has gone from 56 percent to 48 percent, to 43 percent, 1964.

Miss SWITZER. Isn't that a shame?

Mr. LAIRD. Under the Governor's budget I understand Wisconsin will only match 43 percent of what might be made available to the State.

Miss SWITZER. That's right. Who has those tables that show each individual State of the members that are here, the whole story?

Who has those? Do you have those? Mr. Manning, do you have those? I want to give them out to the members so they will have them.

[Distributing documents.]

Miss SWITZER. Here's Mr. Denton's Indiana, Michigan—there is a lot going on you can see that, but—I think this is an interesting spread.

RELATION OF REHABILITATIONS TO PEOPLE SERVED

Mr. LESINSKI. Now, at this point, Mr. Chairman, you state that the number of rehabilitations and the number of cases served is about 3 to 1, the difference.

Miss SWITZER. Is he looking at his State paper there?

Mr. KELLY. Yes.

Mr. LESINSKI. Yes.

Miss SWITZER. Let me see my State paper.

Well, that's about the proportion I think. The usual is about 3 to 1; they have three times as many people being served as are turned out at the end of the road. That is the practice, that is the proportion that apparently—

Mr. LESINSKI. The two-thirds of the cases that are not successful?

Miss SWITZER. Oh, yes; they are successful.

Mr. HUNT. Oh, yes.

Miss SWITZER. Yes; these are cases in service, you see.

Mr. LESINSKI. In service.

Miss SWITZER. The general history of our program whether we have a large number of rehabilitations or small number, generally speaking, is that there are three times as many people being served in any one year as there are total finished rehabilitations.

Mr. LESINSKI. In other words, would you say that you carry a person on a roll for 3 years?

Miss SWITZER. No; the average, I think, is about 14 months isn't it?

Mr. HUNT. About that.

It happens mathematically in the history of the program if you are going to have 3,000 rehabilitations you have got to have about 3 times that number in process, different kinds of people. But about one-third comes out as completely rehabilitated during the year.

The other persons will be rehabilitated the following years. Some of them go into the process maybe in April or May of a fiscal year.

Miss SWITZER. There are many people, of course, who take longer, paraplegics, the mentally ill, and so on, so that 14 months average would be about right, I think.

Mr. HUNT. Yes; we have some 2- and 3-year cases, of course.

Miss SWITZER. Yes.

Mr. HUNT. And some shorter than a year.

Miss SWITZER. Some a lot shorter.

WISCONSIN PROGRAM

Mr. LAIRD. I haven't got an answer to my question yet, Mr. Chairman.

Miss SWITZER. You mean why is Wisconsin so far behind?

Mr. LAIRD. Not only behind, but it is going downhill, from 56 percent in 1962 to 49 percent to 43 percent. Of course, the Governor's budget request for enough to match only 43 percent of Wisconsin's share hasn't been acted on yet.

Miss SWITZER. No. We are assuming it will be at least that.

It has happened, of course, as happens in all human situations, that you can guess wrong.

Well, I think that even in the States that do not support this program to the full extent, there are many good things going on, as in Wisconsin, and Wisconsin has, in years gone by, been a pioneer.

But I think it is the competition for the State dollar, and mostly the lack of understanding on the part of people responsible. It is a lack of education, and a lack of public support, because where you have a dynamic program, you have all kinds of people supporting it.

Mr. LESINSKI. Some States around the Great Lakes have not increased proportionately to the gross national product as other States, like California and so forth. So what this is related to is the fact that the States have made less funds available than otherwise. This is a big problem too.

It is easy to sit here and say States should do something, but if you don't have the bucks in your pocket, what are you to do?

Miss SWITZER. Well, it isn't just this program. You have to realize if this program isn't supported you will find difficulty in all kinds of areas.

There are many reasons for it as we all know.

MONETARY RETURNS FROM PROGRAM

Mr. FOGARTY. Isn't this still a moneymaking program?

Miss SWITZER. Oh, yes.

Mr. FOGARTY. For the Federal Government and the States.

Miss SWITZER. Yes, it is. Yes, it is.

Mr. FOGARTY. Any State that doesn't do its share is losing money.

Miss SWITZER. That's what we feel.

Mr. FOGARTY. And the Federal Government is losing money.

Miss SWITZER. We think of the people we took off public welfare rolls at one time or another last year, a one-shot expenditure. We spent about \$18 million and they were getting more than that on public assistance, public welfare. And now they are working, paying taxes, somewhere between 7—10 to 1.

Mr. LESINSKI. Mr. Chairman, may I inject a thought there: actually if you are paying the State, say 75 or 80 percent of the program, the State would be better off not giving the Federal Government that money but utilizing it itself, because it will have its full dollar value of its own money.

Mr. FOGARTY. It isn't quite so in this particular program because over the years as I understand it, every dollar that we appropriate, that is the taxpayers' dollars, no matter what State it comes from, \$10 is returned for every Federal dollar spent.

This is the best moneymaking proposition in the Federal Government today.

Mr. LESINSKI. I realize that.

Mr. FOGARTY. Not only the great good that it does for the individual, but you want to talk about dollars, why his is the best program to talk about.

Mr. LESINSKI. I won't argue with the chairman at this point but the basic point is true, for every dollar the State gets in return, for every 90 cents it is costing the State a buck.

Mr. FOGARTY. Not on this kind of program.

Mr. SWITZER. Not on this.

Mr. KELLY. We have run an analysis of this, including the cost of tax collection and figuring the cost of administration, and it varies. We feel that we return a very substantial part of the dollar that we spend for the services for which they were intended.

In the case of the Social Security Administration, it costs us, including tax collection, 2.2 percent, I think it is, to administer each dollar's worth of benefits. That means 97.8 cents out of every dollar collected goes back to the recipient for which it was intended.

And when you take our health programs, we think that we similarly have a good record, because the study that was made in the case of the private agencies demonstrated that the cost of collecting the money and returning it to service was very, very much greater than is true when the Federal Government in partnership with the States administers the program.

NEED FOR FEDERAL STIMULUS

Mr. LESINSKI. Regardless of how much the State gets back from the dollar, would the State be in these programs at all if the Federal Government had not began this program?

Miss SWITZER. I don't know whether you could say they would or wouldn't.

Mr. FOGARTY. No, they wouldn't.

Miss SWITZER. This is a hard——

Mr. FOGARTY. I don't know of any State that would. It takes stimulation to get States to do a job.

Miss SWITZER. To really do it.

Mr. FOGARTY. And you can take people off relief rolls in every State in the Union by a program like this. It is one of the greatest programs, I think.

Miss SWITZER. I think too it has been proven pretty well that a national problem, like dependency or disability, has to have a national approach somehow.

And even in the old days when our program was very tiny, 40 years ago, and was just starting, it took 15 years to get all the States in.

I think it was 1934, 1936 before the last State really participated. So appealing as it is, it does take, I think, the combined interest of the Federal and State Governments to do the job.

Mr. LESINSKI. At that point, Mr. Chairman, once the program has become established in the States——

NEED TO INCREASE PROGRAM

Miss SWITZER. The need increases all the time and we have not anywhere nearly reached the point where we are serving all the disabled. In even the best supported States we are not serving the people that need to be served.

We sort of set for ourselves the goal of 200,000 when we got our new legislation in 1954. And we are only halfway there.

With the increase in population, and the increase in the kinds of people we are able to serve that we have worked out in the last 5 years, we just don't see any end to it.

Mr. FOGARTY. The program will certainly get bigger.

Miss SWITZER. Bigger, and 200,000 or 250,000 people every year become disabled and need these services.

So there is no such thing as phasing out. It is really phasing in and up, I would say.

Mr. LESINSKI. The point I was trying to drive at, although you claim this is a national program, if the States get going on this thing full swing should the Federal Government pull out? Pull back?

Miss SWITZER. If you can think of a time when the States could take over, of course, that would be perfectly fine. But it is hard to envision such a thing in light of the history of it.

Mr. KELLY. The legislative concept was not a one-time, stimulatory program. It was a concept of long-term Federal-State partnership.

Miss SWITZER. It has been a concept since 1950. Each legislative step has broadened and expanded its responsibilities.

DEFINITION OF REHABILITATED

Mr. FOGARTY. Now, what's your definition of "rehabilitated"?

Miss SWITZER. Placed in productive employment for a sufficiently long period of time to demonstrate the fact the job is fairly stable.

This doesn't necessarily mean forever but long enough so you know it is not just an ephemeral thing.

Most States feel they don't count the actual rehabilitation—I think I am right to say this—until they have been on the job about 6 months. That's an average now, you know. It varies from State to State.

Mr. HUNT. Yes. This placement follows a preparatory service.

Miss SWITZER. It is an actual on-the-job count. Nothing less than that.

MENTALLY RETARDED

Mr. FOGARTY. How many mentally retarded persons were rehabilitated in 1955?

Miss SWITZER. About 500—I think I am right in that.

Mr. GARRETT. Yes.

Mrs. LAMBORN. 5,000 last year.

Mr. HUNT. Tremendous increase.

Mr. MARTZ. In 1962 it was 4,500; in 1964 it is expected to be 7,500.

Mr. HUNT. It was 531 in 1955.

INCREASE IN OTHER DIFFICULT CATEGORIES

Mr. FOGARTY. The number of persons with severe mental illness rehabilitated more than tripled.

Miss SWITZER. Yes.

Mr. FOGARTY. 6,500 as compared with 1,793. Deaf persons doubled, 1,800 to 900. And about 30 percent of all the rehabilitated people were over the age of 45? They are the most difficult ones to find jobs.

Miss SWITZER. They are the most difficult ones.

In connection with that we have just received a report from one of our projects which shows one of the reasons we were able to do this.

[Distributing pamphlets.]

This is a fine description of a project of rehabilitation of the older disabled people. I think you would be interested in this.

Mr. FOGARTY. This is better than Labor Department has been able to do in finding work for people over 45.

Miss SWITZER. Well, one of the reasons why I think our program is able to do this is that the training is pinpointed. The effort that is made to evaluate the availability of the job and then to train the person for the job, I think is the secret of our success.

It is not a mass-production thing. You have just got to be able to match—you have got to see a job and then train the person to fit it, and sort of do a sales job on the employer to place him. It is a pretty individualized kind of business.

Mr. FOGARTY. I think it is good.

Miss SWITZER. I think also our projects, our research projects, and demonstration projects, have provided places and talent that's learning all the time more about it; that these projects have a little sort of magnet where people can go and learn how to do it better.

REHABILITATION OF THE DEAF

Mr. FOGARTY. I notice, on page 13, you say one of the first breakthroughs into establishing specially developed facilities that will provide sorely needed services for the deaf has been made in Wisconsin. What's that?

Miss SWITZER. It is a very exciting project. I haven't been out there. Mr. Garrett, you have. Maybe you can describe this.

Mr. FOGARTY. Delavan, where is that?

Mr. GARRETT. Delavan, that is near Janesville.

This is a facility in connection with the State school for the deaf. What they have established there, with section 2 funds has been a special facility which addresses itself to evaluation, work training, and subsequent job placement.

Miss SWITZER. We are trying to get similar centers over the country.

Mr. GARRETT. Yes, there are several underway.

REHABILITATION OF THE MENTALLY RETARDED

Mr. FOGARTY. Also on page 13 you say Iowa was one of the first States to pioneer a joint effort between vocational rehabilitation, public schools and employment service, and at the present time is one of the leaders in providing rehabilitation services to the mentally retarded.

Miss SWITZER. Yes. They have concentrated on this. They have in Iowa two or three very good rehabilitation, vocational rehabilitation facilities, and they have a responsive school system. But—

Mr. FOGARTY. Is this a statewide thing or is it located in some one city?

Miss SWITZER. Well, I think it would be mostly in the centers of population, like—Des Moines?

Mr. HUNT. Basically Des Moines, but then it works statewide.

Miss SWITZER. But there are other examples, very good examples.

Mr. FOGARTY. Do you have anything in Davenport?

Miss SWITZER. We could see.

Mr. FOGARTY. The reason I asked is that the Iowa Association of Retarded Children are meeting there in June for a State meeting.

Miss SWITZER. This is a growing trend in this to develop better relationships between the schools and employment services, especially in serving the retarded, but others too.

Mr. HUNT. In Iowa during 1962, 9.5 percent of the total rehabilitants—

Miss SWITZER. Were mentally retarded.

Mr. FOGARTY. That's fine. Is that the highest?

Mr. HUNT. Twice the national average.

Mr. FOGARTY. Is that the highest in all the States?

Miss SWITZER. Ten percent in New Jersey.

Mr. FOGARTY. New Jersey?

Miss SWITZER. Yes. New Jersey has a couple of very good schools, you know, and I think that makes a difference.

Mr. FOGARTY. What about Connecticut?

Miss SWITZER. 14.9.

Mr. FOGARTY. What is it?

Mr. HUNT. 14.9.

Miss SWITZER. And the District of Columbia is pretty good; they are 12 percent. This is quite a problem in the District of Columbia.

Mr. HUNT. Of the 102,000 rehabilitations 4.4 percent were mentally retarded, so these figures we are giving you compare with that 4.4 percent national average.

Mr. FOGARTY. What is Rhode Island?

Mr. HUNT. 3.9 percent for Rhode Island.

Mr. FOGARTY. 3.9. I wouldn't call that very good, would you?

Miss SWITZER. No. I am surprised it is that low because, actually, they have got some good things going on up there. I must look into that. That is lower than the majority.

Mr. FOGARTY. I know it is. I think Rhode Island ought to lead the country.

Miss SWITZER. With your interest it should—really should.

Mr. FOGARTY. It is small and compact and there are enough projects; I am surprised it is that low.

Miss SWITZER. Make a note of the fact we want to—

Mr. GARRETT. I think you will find that with the institution of the statewide projects, that percentage will go up.

Mr. MARTZ. I think it was higher than that before. This may be temporary.

NEW APPROACHES

Mr. FOGARTY. On page 15, you mention a joint project in Rhode Island for a team approach to the rehabilitation of applicants for, and recipients of assistance.

Miss SWITZER. Yes, this is an example of the kind of thing we are trying to do to step up the work—this is an E and I, section 3 project.

Mr. FOGARTY. It is a what?

Miss SWITZER. Extension and improvement, section 3 projects.

Mr. FOGARTY. Oh, yes.

Miss SWITZER. This source of funds is being used to try and improve various kinds of rehabilitation, and in Rhode Island they are doing this.

I understand this is very good.

Mr. FOGARTY. On page 16 you say "a new technique, which is being tried in sparsely populated areas, to have a mobile team of rehabilitation experts that visits different places as needed * * *."

Have you started on that?

Miss SWITZER. Oh, yes, Oklahoma. I hope this is going to prove something. This is something I have tried to get different people interested in over the years.

They wanted and did a little of this in Peoria, but I really feel this is one very hopeful way of delivering service.

Mr. HUNT. This is 4(a)(1)—a research project.

Miss SWITZER. I used to know every project, be able to visualize it in my mind's eye.

But now we have about 600; I can't do that.

Mr. LAIRD. Perhaps we are giving you too much money.

Miss SWITZER. Did you know we approved another project in Racine?

Mr. LAIRD. That isn't in my congressional district, but of course I am glad to have that information.

HALFWAY HOUSES

Mr. FOGARTY. How do you define a halfway house?

Miss SWITZER. A halfway house is a—it is a building, first, and then a program; it acts as sort of a buffer between—usually a State mental hospital and the community.

And the way that it has worked in our program is that when State hospital patients are ready for discharge or practically ready for discharge—some of them may be on medication—and they need support, getting used to being away from a big institution, getting used to going to their job and living in a protective environment for a little while. This is supervised living really.

They usually have house parents and medical supervision for the medication but not as intensive—

UNWED MOTHERS

Mr. FOGARTY. Do you rehabilitate any unwed mothers?

Miss SWITZER. We are rehabilitating unwed mothers, but we don't consider the fact a person is an unwed mother is by and of itself a disability. But there are some unwed mothers who are also disabled, and where we run into them mostly is in the ADC programs. There are a number of women—

Mr. FOGARTY. I have in mind a person in Rhode Island who is very much interested in this problem, and is actively trying to do something about it.

Miss SWITZER. Yes.

Mr. FOGARTY. She writes to me quite often. We have a place for these girls called the Sophia Little Home.

Miss SWITZER. Is it one of the Florence Crittenton ones?

Mr. FOGARTY. No, but I know they have done excellent work in this area. She thinks there should be some sort of a halfway house for these girls.

Miss SWITZER. I think that it is good. Especially the younger ones can be saved and can be rehabilitated.

Mr. FOGARTY. Especially in the teenage group, I am thinking about the lower teenage groups.

Miss SWITZER. Have her write me a letter.

Mr. FOGARTY. Are you doing anything in this field?

Miss SWITZER. We are doing it but only for disabled people on relief. We have a project in the District of Columbia.

I don't see the building unless they would be disabled.

Mr. GARRETT. We wouldn't have the authority for building. That would be in our new legislative proposal. If you are talking about halfway houses other than for the mentally ill, we are working on a project now for a halfway house for narcotic addicts. We are in negotiation with the Bureau of Prisons and their program which, as you may know, involves a few selected city halfway houses for that group.

CHRONIC ALCOHOLISM

Mr. FOGARTY. What about the problem of alcoholics?

Miss SWITZER. This is another area we are trying to get into. Mr. Russell, director of Arkansas, was in to see me yesterday.

One of his counselors——.

Mr. FOGARTY. This is one of the more difficult human problems today, isn't it?

Miss SWITZER. Very.

Mr. FOGARTY. A doctor told me the other day he thought this was one of the worst problems in this country today, chronic alcoholism.

Miss SWITZER. I don't think there is any question about it. We are doing something but not as much as we would like to be doing. Again, I think it is just because we don't know all the answers.

Most of the States that have made any successful contribution to this at all have done it through working with AA members, who through this are able to inspire others.

Mr. FOGARTY. In many States including my own they are put into a State institution.

Miss SWITZER. And not much attention is paid to them.

Mr. FOGARTY. In 6 months or less they usually are released.

Miss SWITZER. And in another 6 months they are back again.

Mr. FOGARTY. Yes.

Miss SWITZER. Our Secretary has this very much on his mind, he is very interested in this and I am sure he will keep after us until we do more than we are doing.

Mr. LESINSKI. Mr. Chairman.

Mr. FOGARTY. Yes, sir.

TRAINING GRANTS IN MICHIGAN

Mr. LESINSKI. May I ask a question here?

This breakdown of the training grants awarded Michigan for fiscal years 1962 and 1963, I notice you have two rehabilitation counseling; two rehabilitation medicine; three occupational therapy; two physical therapy; two social work; three speech and hearing; and the purpose of bringing this up, is this duplication or what is the reason for having so many of the same kind of State——

Miss SWITZER. These are all different schools, you see.

Mr. LESINSKI. I appreciate that.

Miss SWITZER. What we need is a spread of grants of this kind because each program has a relatively few individuals in it. And we have, for example, in rehabilitation counseling, over 30 different institutions. And usually, although not always, there would be only one institution in one field in a State.

But Michigan is a big State, and, furthermore, the competency of the institutions to be used as centers of training generally is another factor.

Michigan State University and Wayne State University are pioneers in counseling, and, of course, there are the two medical schools of the universities. It is our aim to have a grant in every medical school.

It wouldn't be duplication; it would only be trying to cover the field.

Each one of these places has—I don't understand this double grant University of Michigan has in physical therapy. Why is that? To be sure they are only small grants, \$1,000 and \$5,000, but I don't know why there are two.

Mr. LESINSKI. That prompted me to ask the question.

Miss SWITZER. I don't know about that one.

But otherwise these are all programs that are for the purpose of increasing the number of personnel in the field. This is our mission.

Mr. LESINSKI. For training grants, training purposes?

Miss SWITZER. For training grants. Our mission is to increase the number of personnel available for work in the rehabilitation field. And we have major responsibility in the basic fields of counseling, medicine, occupational therapy, physical therapy, speech and hearing, the blind, and so on.

So that this is what our main and major mission is. Just because you have two schools in a State wouldn't mean duplication.

It wouldn't be the same people, you see.

Mr. LESINSKI. I believe what you are trying to say is you are trying to get as many schools as possible interested in these various programs so they can develop their own people.

Miss SWITZER. That is right so they can have their programs available not only to the trainees and fellows we would support through our traineeship and fellowship programs but that other students would be able to take these courses, which would spread the base, and this is what we are after.

Mr. LESINSKI. I appreciate that very much. Yet that question probably will be asked of me and I want to know what the answer is.

You do take a backhand slap at Michigan for population and so forth, but that again goes to the basic problem of Wisconsin, that matter of insufficient funds.

Miss SWITZER. Yes.

Mr. LESINSKI. We have our financial problems in Michigan.

Miss SWITZER. That is true. We know that.

Mr. LAIRD. Why don't you solve those problems with the Governor?

Mr. FOGARTY. This is a way to help solve them. Spend a few more dollars on this program and it will help you to get on a better financial basis.

Mr. LESINSKI. It is not that easy. We owe the Government almost \$80 million now, as a result of that extension of the unemployment compensation program.

RESEARCH AND TRAINING

Mr. FOGARTY. Now, for research and training the appropriation for 1963 is \$25,500,000, and request for 1964 is \$36,830,000, an increase of \$11,330,000.

DOMESTIC SUPPORT OF INTERNATIONAL RESEARCH

\$300,000 of the increase is for domestic support of international research.

Miss SWITZER. Yes.

Mr. FOGARTY. What type of expenses would this cover?

Miss SWITZER. This would all be spent in the United States. It would be for the support here in the United States of people from our international projects; people who are in need of research training from the countries where we are operating with counterpart funds.

At the present time we have to go around and beg and borrow support for these people when they reach our shores because you can't spend counterpart funds out of the country—we are very limited in the interchange program for this reason.

Then there are items of equipment which sometimes it is absolutely impossible to procure for these countries because they are countries where they just don't have the equipment that they need nor the foreign exchange with which to buy the equipment.

This would be for the purpose of underpinning and supporting our international counterpart funds research program.

Mr. FOGARTY. This would be just as much value to these foreign countries, so why shouldn't they pay the cost?

Miss SWITZER. They do pay to a certain extent. These people are not only staff people in the projects—they are also people who are leaders in the countries, and these countries are valuable to us in more ways than rehabilitation.

Mr. LAIRD. Why are they not included in the foreign aid bill?

Miss SWITZER. That's a good question.

Mr. GARRETT. I think it is well to keep in mind that some of the countries in which we have counterpart funds do not have an AID mission, for example.

Mr. FOGARTY. What is the legislative authority?

Mr. GARRETT. Public Law 86-610, section 4.

EXPANDED PROGRAMS IN SPEECH AND HEARING DEFECTS

Mr. FOGARTY. Last year this committee provided an additional \$600,000 for expansion of the training program with special attention to the area of speech and hearing defects.

Miss SWITZER. That's right. In fact, this had a major influence really in doing this. You probably have this statement already.

Mr. FOGARTY. Will you put this statement in the record at this point?

(The statement follows:)

SUMMARY OF PROGRAMS FOR THE DEAF, FOR THE HARD OF HEARING, AND FOR THE SPEECH IMPAIRED

PROBLEM DEFINED

Approximately 8 million Americans have vocationally handicapping problems in verbal communication. Some have disorders of the ears which are the normal

means for receiving verbal messages. Some have defects in the vocal organs which are the main devices for sending verbal messages. Some have disorders of the central nervous system which interfere with receiving and sending even though the ears and vocal apparatus are whole. Some have peripheral involvements that curb free verbalization. Some have combinations of causes.

These manifold and complex causes frequently obscure the fact that speech and hearing are variables that fluctuate with physical, mental, and emotional condition. Normal ears, normal mentality, normal vocal organs, and so on should result in normal hearing and normal speech. One abnormality or more results in abnormal verbal communication. The person affected faces formidable barriers. Fortunately, the condition for many is transitory due to the wonders of medicine and the related disciplines. These are not among our 8 million whose abnormality is more or less permanent. Their lives become an endless search for techniques that foster their independence. Vocational rehabilitation workers share with teachers and others the responsibility to create, extend, and improve knowledge and resources by which the verbally handicapped can attain adjustment.

The deaf

About 250,000 of this large group are deaf people whose problems are very complex. Many of them are without useful speech despite years of training. Many have limited language skills. However, most of them have normal strength, mobility, and intelligence. They strive for achievement within the limitations of their inadequate verbal communication skills. Their handicap is primarily psychosocial. It seldom yields to medical intervention.

Two problem areas for vocational rehabilitation exist. First, the most basic and achievable need of the deaf person, specifically skill in reading and writing, is insufficiently emphasized in childhood training. Language and speech are referred to interchangeably, confusing professional and lay workers alike. Hence, the isolation of deafness is often intensified by a needless wall of language deficiency. Second, this incorrect image of the deaf person's verbal communication skills creates everywhere an expectancy in performance to which very few deaf people can fulfill. Employers and others are, thus, not conditioned to look beyond the poor speech for the hidden, often rich human resources.

The outcome of this is widespread underemployment of deaf people. The Vocational Rehabilitation Administration is attacking the roots of underemployment: (1) By establishment of rehabilitation centers to serve the deaf; (2) by extending its training operations (a) to qualify more professional workers to work with the deaf, (b) to develop better understanding of deaf people among vocational rehabilitation workers and others, including employers and community leaders, (c) to improve the capacities of professional and voluntary workers to assist the State vocational rehabilitation agencies, and (d) to help deaf people and their coworkers develop concepts of community interrelationships; (3) by encouraging researchers to study and resolve the many economic, social, and psychological problems associated with deafness.

The hard of hearing

The several million hard of hearing pose quite different problems from the deaf. The two should never be treated as one. Whereas the deaf receive verbal communication almost solely through their eyes, the hard of hearing rely principally upon their ears, even though these are defective. The hard of hearing generally have near-normal speech and language. Their disability often has a late onset as opposed to the early affliction of the deaf. Partial hearing impairment is less a psychosocial than a medical problem and often yields significantly and quickly to medical intervention and prosthesis with speedy return to old job or a new one.

Problems facing the State vocational rehabilitation agencies in serving the hard of hearing cluster around the availability of the special diagnostic, medical, and training services this group needs. The Vocational Rehabilitation Administration is concentrating on (1) increasing the number of working centers and the supply of diagnosticians and therapists, and (2) improving through research the common diagnostic and training tools.

The speech impaired

The speech impaired necessarily include many of the deaf and the hard of hearing because normal speech production depends to a great extent upon self-monitoring which in turn depends largely upon the speaker's hearing. We hear ourselves and correct as we go along. It is not the same for the hearing dis-

abled. However, the speech impaired also number millions whose abnormal or absent output stems from organic disorders other than hearing.

Included are the stutterers with their baffling etiology. Stroke victims make up a large portion of the group. The cerebral palsied, other brain damaged, the mentally retarded add appreciably to the numbers and the complexity of the therapy. The increasing incidence of early discovery of cancer of the larynx and subsequent successful surgical intervention results in need for learning a new way to talk.

The State vocational rehabilitation agencies find that a major problem is the lack of guidelines that enable staff to relate speech impairment to occupational handicap. Moreover, standards of casework performance and progress in therapy are not so clearly defined nor apparent in speech rehabilitation as in other areas. The resources that serve the hard of hearing can be effective for the speech handicapped if qualified staff are available. The Vocational Rehabilitation Administration drive for more hearing and speech centers relates to speech rehabilitation, too. Additionally, special emphasis is being given (1) to the development of authoritative literature on the handicapping aspects of speech disorders and their treatment and (2) to the fostering of voluntary work for the speech impaired throughout the national community on a level equal to that for the hearing impaired. Research in speech performance, production, and diagnosis continues.

NUMBERS SERVED BY STATE VOCATIONAL REHABILITATION AGENCIES

The aim of the public vocational rehabilitation program is the preparation of the occupationally handicapped disabled person for suitable employment. The State and the Federal Governments share this responsibility with the State vocational rehabilitation agencies actually determining eligibility and providing services using grant-in-aid funds administered by the Vocational Rehabilitation Administration.

All of the resources of the public vocational rehabilitation service are aimed at the occupational adjustment of the person whose disability is a vocational handicap. The media for attaining this end with each client are the case services that are patterned to individual needs. The research, training, and facility development activities of the Vocational Rehabilitation Administration and the State agencies are completely concerned with strengthening case service techniques, developing new ones, improving the capacities of the caseworker and the personnel upon whom he draws, and developing resources for better diagnostic, evaluation, training, and restoration services. The dual aim of sharp increases in the quality and quantity of services and persons served permeates the whole program.

The extent to which the State agencies rehabilitated the deaf, the hard of hearing, and the speech impaired in the fiscal years 1960 through 1963 and the numbers estimated to be rehabilitated in fiscal 1964 are shown in the following table:

Number of rehabilitants of the State vocational rehabilitation agencies with speech and hearing impairments, fiscal years ending June 30, 1960-64¹

Major disability	Number of rehabilitants in fiscal year—				
	1960	1961	1962	1963	1964
All rehabilitants.....	88, 275	92, 501	102, 377	110, 400	126, 500
Number of rehabilitants with major disability of speech or hearing.....	6, 529	6, 559	7, 665	8, 600	9, 900
Deaf.....	1, 617	1, 595	1, 866	2 050	2, 300
Hard of hearing.....	3, 793	3, 843	4, 462	5, 000	5, 800
Speech.....	1, 119	1, 121	1, 337	1, 550	1, 800

¹ The total number of rehabilitants are actual for fiscal years 1960, 1961, and 1962; for fiscal years 1963 and 1964 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1960 and 1961; for fiscal years 1962, 1963, and 1964, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

The effectiveness of casework rests in appreciable measure upon the joint planning of the counselor and the client. Clients who are hard of hearing or

who have serious speech problems of other than hearing origin tax even the most skilled caseworker. Even so, counselor and client do have a line of verbal communication upon which rapport and a good rehabilitation plan can be developed together. The profoundly deaf client, however, especially that large majority who have serious language deficiencies, are not able to communicate by normal means. This is the crux. There must be communication between counselor and client for effective casework.

The State agencies have recognized this basic factor and are moving to rectify it as qualified workers become available or through special training of current counselors. Twenty-two States¹ now have staff who may be classified as expert vocational rehabilitation workers for the deaf since they are trained as professional counselors and are also able to communicate by sign language with deaf clients. Several other States are searching for qualified persons. The Vocational Rehabilitation Administration urges that each State should have at least one highly skilled vocational rehabilitation counselor for the deaf and preferably that there be one in each metropolitan area.

SERVICE CENTERS

Hearing and speech centers have been established rapidly in the past 15 years. Most come into being in universities as training and research facilities, in large hospitals as service units, and in metropolitan areas. They fill vital rehabilitation needs in diagnosis, evaluation, training, and fitting of hearing aids. There are probably today in this country as many as 400 of widely varying levels of effectiveness. The distribution is very uneven. Many thousands with verbal communication problems are just too far away from even the least of these vital service sources and even further from the technical assistance they may need. For example, a hard-of-hearing person who is 50 miles away from lipreading instruction, auditory training, hearing aid evaluation is not likely to be able to travel this distance several times per week for instruction. The Vocational Rehabilitation Administration is attacking this problem directly through a carefully designed project to bring the basic hearing and speech services that the majority of these disabled people need into the local community at a cost it can afford to maintain, leaving for the more comprehensive center the intricate services needed by more difficult hearing or speech cases. A successful initial experience will provide a prototype which may be demonstrated thereafter throughout the country, eventually bringing basic hearing and speech rehabilitation services within reach of every person who is hard of hearing or speech impaired.

The practical needs of deaf people are little related to speech and hearing centers. Almost all of them have had several years of intensive, expert training in speech and use of residual sound perception. They need the same vocational rehabilitation services as other clients, specifically diagnosis, evaluation, training, counseling, and placement, but in language that they understand. There are very few persons in rehabilitation centers or vocational schools who can communicate with deaf people to the point where a learning situation may be said to exist. Consequently, the Vocational Rehabilitation Administration has had to concentrate on exploiting centers where there are expert professional workers for the deaf. Usually, these have proven to be residential schools for the deaf. After a slow start, momentum has picked up to the point where diagnostic, evaluation, prevocational, and adjustment centers have been established or are planned at the State schools for the deaf in 10² States.

Encouraging byproducts of this activity is the interest in other States and the growing efforts by established rehabilitation centers to qualify themselves to serve the deaf.

Of continuing concern to the Vocational Rehabilitation Administration is the decline in the vocational training of deaf clients. The inroads of automation seem to have sharply reduced the number of entry level jobs by which the deaf have gained their footholds in industry. Consequently, more vocational training has been necessary for deaf people who frequently are being pushed aside by overcrowded vocational schools. This intensifies the training void for deaf people that exists between the special school system which generally terminates at

¹ Alabama, Arizona, Arkansas, California, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Minnesota, Mississippi, Missouri, New Jersey, North Carolina, Pennsylvania, Tennessee, Texas, Virginia, Washington, and Wisconsin.

² Alabama, Arizona, Arkansas, Florida, Georgia, Indiana, Mississippi, New Mexico, Tennessee, and Wisconsin.

ninth grade or less, and Gallaudet College, a void which has nurtured and partially perpetuated their serious underemployment. The establishment of technical institutes to train deaf people for employment in laboratories, in commercial art, in subengineering capacities, in mass health control media, and so on, if a currently developing survey verifies information on hand, would make a beginning in correcting this condition.

TRAINING

The problem

There is a short supply of personnel to meet the needs of people with verbal communication disorders. They require the skills of speech pathologists and audiologists, of vocational rehabilitation counselors, of social workers, of psychologists, of special educators, of physicians, and others. Moreover, their current geographical distribution makes adequate services in all parts of the country difficult. Social workers, psychologists, teachers, audiologists, and rehabilitation counselors interested in work with the deaf are in especially short supply.

The quick incorporation into the professional curriculum of new knowledge gained from research is a difficult part of the problem that is under continuous study.

Approach to the problem

The training program of the Vocational Rehabilitation Administration is directed at solving these problems of distribution and supply of qualified personnel. Through its support of basic or advanced professional long-term training programs in speech pathology and audiology and in the handicapping aspects of audiocommunicative impairment, a sharp increase in numbers in practice is being achieved. Through support of short-term training programs, practicing speech pathologists and audiologists are also being helped to attain a higher level of technical knowledge and skill, and workers in related professional and pertinent voluntary fields have opportunities to learn more about treatment and services to people with verbal communication disorders. In addition, through support of research fellowships, the number of trained research workers is being augmented.

Long-term training

The purpose of training grants in speech pathology and audiology is to increase the number of speech and hearing therapists qualified to diagnose and treat adults with verbal communication disorders. Teaching grants are made to assist university training centers to expand their programs and modify their curricula to provide more extensive training for work with adults, since the majority of the programs have traditionally been oriented toward work with children. Traineeship grants are made to training centers so that students interested in speech and hearing therapy with adults can secure graduate training, and so that experienced therapists can secure advanced training to prepare for teaching or research positions.

In the field of work with the deaf, the purpose of grants is to raise the standards of all services to the deaf through depth exposure to comprehensive rehabilitation, such as higher job goals, full community responsibility, greater self-discipline, and a greater understanding of audiocommunicative disorders among all related disciplines.

Although precise numbers of speech pathologists and audiologists now employed are not known, we do know that the membership of the American Speech and Hearing Association is slightly over 9,000. Perhaps 4,000 additional nonmembers are working in the field. Only about one-third of the ASHA members have received certification in either speech or hearing, the standard of minimum competence for practice. The number with certification in hearing is particularly low. Based on existing standards of service, an estimated 20,000 therapists are needed for the 8 million people with speech and hearing defects. At the present time fewer than 800 students are completing the master or doctoral program each year whereas 1,500 are needed each year.

In 1964, funds amounting to \$2,451,000 are being requested. This amount will make possible teaching grants to 63 of the 130 colleges and universities offering graduate study in speech pathology and audiology and the support of 502 traineeships.

In the area of rehabilitation of the deaf, two new training programs are in operation. Previously, academic training to prepare personnel for rehabilitation of totally deaf persons did not exist in the United States, with the exception of preparation of teachers of deaf children. In fiscal year 1961, VRA inaugurated

a specialized training program at the master degree level which is designed to prepare a small number of persons now working with the deaf for leadership positions in rehabilitation of the deaf. The first group of 10 trainees completed training in August 1962, and the second 10 started in January of 1963. The curriculum draws upon a number of disciplines and is composed of both classroom instruction and actual field experience in varied settings serving deaf persons.

In 1963 a new teaching program at the postmaster level was initiated in audio-communicative disability. It is designed to provide training in depth about receptive impairment. Students will come from counseling, social work, educational psychology, audiology, and other fields. The first class of graduate students has just been enrolled.

In addition to these programs specifically and intensively concerned with rehabilitation of the deaf, this subject matter area is a part of the basic professional training program in many of the social work, psychology, and rehabilitation counselor curriculums. For the 1961-62 academic year, for example, seven rehabilitation counselor training programs reported using a facility for the deaf for student internships.

Relatively few professional workers are now equipped with enough knowledge about problems of the deaf or with skill in communicating with totally deaf people. State vocational rehabilitation agencies need more rehabilitation counselors with adequate experience or training to serve them. Although some university training programs in rehabilitation counseling offer limited field-work experience in rehabilitation of the deaf to their students who display special interest in this subject, most of them are faced with the inability to locate satisfactory clinical facilities. Counselors and therapists are urgently needed in residential schools for the deaf, in special classes in the public day schools, in the State vocational rehabilitation agencies, in public employment services, in rehabilitation facilities, in vocational schools, and in mental hospitals and institutions. For example, the absence of skilled audiologists in many residential schools for the deaf means that students leave with inadequate determination of the role of their residual sound perception and its possible contribution to independent living and employment.

In 1964, funds are requested for 6 teaching grants and 52 traineeships, at an estimated cost of \$458,000.

Short-term training

In the field of communicative disorders, courses have been conducted for speech pathologists and audiologists on (a) teaching esophageal speech to laryngectomies and others with organic voice problems, (b) diagnosis, treatment and rehabilitation of adults who have experienced aphasia as a result of cerebrovascular accidents, (c) language retardation as a result of mental retardation or brain damage, (d) speech and hearing problems of the cerebral palsied, and (e) treatment and rehabilitation of persons with hearing loss. Between 1958 and 1962 a total of 16 such courses were held. They reached 440 persons in practice who wished to raise their levels of skill. In 1963 it is expected that 12 such courses will be conducted which will reach an estimated 335 therapists and related personnel. Funds are requested to maintain that level in 1964.

In fiscal 1964 the Vocational Rehabilitation Administration will strive to realize its longstanding plans to develop a reference for vocational rehabilitation counselors and others that focuses on the economic and social handicapping aspects of speech impairment, a subject that has been almost completely neglected but which is most critical.

In the area of rehabilitation of the deaf, training courses have been directed at providing an orientation to problems associated with deafness including the development of minimal skill in sign language and finger spelling. Since 1955 nearly 200 rehabilitation counselors, placement specialists, and others working with deaf persons have completed a 4-week course designed to give a greater understanding of the personal, social and vocational adjustments that people with early acquired profound hearing loss must make.

Other short-term courses on adjustment of deaf people to the demands of daily living, traffic safety and driver education for the deaf, special courses on the sign language, growth and development of counselors in residential schools for the deaf, the role of rehabilitation facilities in individual diagnosis and occupational adjustment of deaf persons, and community development through organizations of the deaf are among important training projects for the deaf.

In 1964, funds are being requested to continue support of short-term training for workers with the deaf that will maintain and extend what has been found fruitful, that will meet other critical needs for this group, and that will supplement and complement the long-term training programs concerned with rehabilitation of deaf persons. Special attention will be given to the development of a handbook on the deaf especially for social workers; to the creation of a set of guides for interpreters for the deaf, hitherto completely neglected; to the extension of procedural awareness for community effectiveness among deaf people; to upgrading of school counselors; to sign language courses in large cities; to orientation of key lay and religious workers to vocational rehabilitation; to orientation of experienced counselors for the deaf to casework with the mentally retarded and unschooled deaf; and to integration of education and vocational rehabilitation for the deaf.

Under 1963 fellowship awards, research is being undertaken in the following areas: (1) effects of tactile presentation of speech upon ability to lip-read; (2) nonverbal personality test for the deaf; (3) effects of lateralized basal ganglia surgery on verbally mediated tasks; and (4) behavioral concomitants of neutral interactions of a auditory and a secondary sensory system.

RESEARCH

Perhaps in no other area of rehabilitation responsibility is the manpower shortage so apparent as in research. It is inevitably intensified in relation to the deaf, the hard of hearing, and the speech impaired where there are already widespread and continuing deficiencies in case service and training personnel since research frequently flows from the experiences of the caseworker and the trainer.

Another serious but less intractable problem relates to the adequacy of research design and methodology of vital proposals that are specific to actual program operations in the States. The gap between the standards of the research expert and the practical attack of the worker in the field is closing steadily as the safeguards of research are better understood and applied. An increasingly favorable research experience is expected for all three disability groups.

The dearth of researchers is starkly evident for the deaf where only 17 studies are underway despite vigorous promotion. Each is, however, very significant. Two focus on the community involvement of deaf people, one metropolitan, the other small urban. Another analyzes the circumstances of institutionalized mentally retarded deaf people, their training, and greater independence in or out of the institution. A fourth strives to develop means for preparing unschooled, severely handicapped deaf adults for independent living. A fifth is to demonstrate comprehensive mental health services for the deaf, an outgrowth of an earlier project that pioneered this virgin field. The fact that these last three studies were each actively promoted for over 10 years before research began illustrates manpower problems. The others are specific to speech for the deaf, to counseling, to personnel recruitment, to conceptualization by the deaf, and to training.

The Vocational Rehabilitation Administration seeks \$800,000 for funding a total of 20 studies on the deaf in fiscal 1964. This is an increase of \$320,000 and 8 new projects over the base. Primary targets will be studies of ways to make community services more readily available to deaf people, to broaden occupational horizons for them, and to develop tools to facilitate improved communication to them.

Those with speech and hearing disorders are more numerous than other disabled people. Yet, relatively few of them are rehabilitated. Reasons for this condition include: (1) a lack of widespread understanding about the handicapping aspects of communication disorders, especially speech; (2) lack of conveniently located and properly staffed service centers; and (3) better diagnostic and evaluation techniques. The Vocational Rehabilitation Administration research instrument is quite suitable to help resolve these lacks. In fact work is already in full swing to get service centers close to the people in need. Studies to bring into being better diagnostic and evaluation methods are also underway. More are in prospect.

For 1964, a total of \$540,000 is being requested to support 18 studies. This is \$240,000 more funding than in 1963 and 8 more projects. Studies on how best to extend speech and hearing rehabilitation services into small towns and rural areas, or more involvement of speech and hearing rehabilitation in other rehabilitation programs, and on better diagnosis and evaluation will be emphasized.

Obligations for programs in deafness speech and hearing, fiscal years 1960-64

	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964
Number of rehabilitants.....	6, 529	6, 559	7, 665	8, 600	9, 900
Grants to States.....	\$3, 700, 000	\$4, 000, 000	\$4, 800, 000	\$5, 700, 000	\$7, 100, 000
Research.....	378, 800	365, 400	553, 000	725, 000	1, 340, 000
Training.....	440, 000	736, 000	1, 156, 100	2, 041, 000	2, 645, 000
Total, Vocational Rehabilitation Administration.....	4, 518, 800	5, 101, 400	6, 509, 100	8, 466, 000	11, 085, 000

SPECIAL RESEARCH AND TRAINING CENTERS

Mr. FOGARTY. What were those additional special centers the Senate earmarked \$1 million for?

Miss SWITZER. University of Washington and Baylor.

Mr. FOGARTY. How are the original two working out?

Miss SWITZER. Very well. We think progress has been made by pulling together the research and training and by making available certain amounts of money for patient care so that the patients can be available for research as much as people need them.

We are having a meeting of technical representatives of all centers with the New York Center the second week in March. This will give us a total overall picture of what is going on, what they are doing, how they have improved their services since they have gotten money. It is very encouraging—very thrilling to me.

MENTAL RETARDATION RESEARCH AND DEMONSTRATION PROJECTS

Mr. FOGARTY. On page 30 you say the largest increase under research and demonstrations is in the program category of mental retardation.

Miss SWITZER. Yes, that's right.

Mr. FOGARTY. Is there anything new or exciting?

Miss SWITZER. Yes; I think we have. I think the most exciting thing we are planning are the comprehensive communitywide programs. Mr. Garrett, would you care to speak on that?

Mr. GARRETT. Yes. We have several things that are going on, as part of the plan for next year. We are planning on four comprehensive rehabilitation community programs which will try to tie together all of the things that are going on in a community, which would relate themselves to the rehabilitation program on a very comprehensive basis.

In other words, to bring together what is going on in specialized areas—what is going on in community workshops, in community service agencies, in recreation, in family counseling, et cetera—with the one purpose in mind, however, and that is, what our responsibility is—ultimate job maintenance.

Mr. FOGARTY. There is not much being done in the field of recreation for the mentally retarded that I know of.

Miss SWITZER. No. We feel this is a very important part of the rehabilitation process.

McDonald Center in Florida—have you ever visited this?

Mr. FOGARTY. Yes; I have.

Miss SWITZER. I was down there in January and they have a research building there. One of the things they are doing is becoming more and more conscious of the importance of recreation in its broadest sense—social recreation—in the ability of the youngsters that are placed and to stay adjusted. They are doing all sorts of things to bring them together—new programs and so on.

Mr. FOGARTY. I believe they have a sheltered workshop there.

Miss SWITZER. They have many things going on.

Mr. FOGARTY. I was there 3 or 4 years ago. I do not remember the recreation part.

Miss SWITZER. I think they just realized this and they are coming on this now.

We think this is one of the most important elements of total rehabilitation services.

Mr. GARRETT. We have a fine project report from the AHRC project in New York and one of the things they pointed out was the nonwork activities of the individual and the way in which these support many in terms of maintenance on the job.

The other thing that I think is important in terms of what we are planning for in 1964, in the mental retardation area, is that we are expecting to set up roughly 25 selected demonstration programs in the area of mental retardation on the relationship between special education and vocational rehabilitation and community workshops in order to bring the concept of job adjustment training right into the school setting.

This would be patterned on the experience in Detroit.

Mr. FOGARTY. Are you talking about all kinds of retarded now? Or are you talking about just the—

Mr. GARRETT. We are not—we are not making any line of demarcation.

Mr. FOGARTY. There is a big difference.

Miss SWITZER. You have to do different things for the trainables.

Mr. GARRETT. One of the difficult problems we have found is some people get so concerned about making differentiations between educables and trainables that it gets in the way of getting constructive community service.

SEPARATE CLASSES FOR RETARDED

Mr. FOGARTY. This morning the Department of Education testified that it had been a question among some of the leading educators whether or not educable retarded children should be in a regular classroom or a special class. This research program they told us about determined they do better when they are in a special class than they do in a regular class. Have you known of any similar work?

Mr. GARRETT. Well, we have an array of 36 selected demonstrations in the area of occupational centers for the retarded. There is one in your State.

Mr. FOGARTY. I mean to determine whether or not they ought to be in regular classes or in special classes of their own.

Mr. GARRETT. No; we have not.

Miss SWITZER. I think there are two schools of thought on this.

Mr. FOGARTY. There did not seem to be two schools of thought among the education people this morning.

Miss SWITZER. There may not be, but you can disagree with the educators, too, you know.

Mr. FOGARTY. I think that they spent this money wisely, and they came up with this solution. Now they are going to check it a few other places to be certain of its validity.

Mr. GARRETT. I think one of the major problems in terms of the problems of the occupational adjustment of the retarded is that the bulk of the retarded, as you know, are neither in an institution nor in a special educational program. This is really a major problem to which we haven't addressed ourselves.

Mr. KELLY. Concerning the educational research project, there are two points. They used a control group and studied students under both situations, both in regular and special classes, and have now filed a report in which the results apparently demonstrate that the learning capacities of students in special classes were improved.

Mr. FOGARTY. It seems to me in the places I visited, they seemed to get along much better when they are by themselves.

REHABILITATION OF PUBLIC ASSISTANCE RECIPIENTS

Twenty-two projects and \$1,200,000 are budgeted in the program category which encompasses the rehabilitation of public assistance recipients. Is this part of the new bill—

Miss SWITZER. No, but we hope that the new bill will be a stimulant to getting better cooperative relationships with the State public welfare agencies. These projects are a continuation and intensification of our own work and our belief that through our project device, we have a way of tackling this problem.

What we are trying to do is to show different ways of doing it. If we can work out better ways, and we know there is a limit to what we can do in this, this is the time to do it, because the States now are considering what they can do additionally under the new bill.

MENTAL ILLNESS PROJECTS

Mr. FOGARTY. The third largest increase is in the field of mental illness, 10 projects and \$560,000. Would you give us a statement for the record regarding the type of projects you plan?

(The information requested follows:)

PROPOSED PROJECTS IN THE FIELD OF MENTAL ILLNESS

The plan for 1964 calls for 10 new projects costing \$560,000. Particular preference will be given to worthwhile projects relating to (1) the analysis of the process of work therapy which would determine improved rehabilitation procedures and more effective settings for providing such experiences, and (2) demonstrations of transitional facilities such as halfway houses and sheltered employment. It is not possible at this time to anticipate the individual applications which will be approved.

Mr. FOGARTY. Briefly what are you going to do on mental illness?

Miss SWITZER. Mostly these would be special projects. Sometimes they would be joint with the mental health authorities and rehabilita-

tion—they would be related to mental hospitals. Sometimes they would be separate halfway houses; sometimes they would be community projects. There are a great variety of ways to deal with this and we want to get enough going in this in enough places so we can have some sort of consensus as to what we ought to add or advocate if we can find a consensus.

Halfway houses have become extremely popular—almost a panacea. We think there are other ways of doing that that might not be quiet as expensive.

TRAINING SPECIALISTS IN MENTAL RETARDATION

Mr. FOGARTY. You say \$500,000 of the amount requested is directed toward training specialists to work with the mentally retarded.

Miss SWITZER. Yes; we need to concentrate on this now.

Mr. FOGARTY. What do you mean by specialist? In what?

Miss SWITZER. Specialists in counseling, in the whole range of fields included in the rehabilitation process. We don't mean teachers—that is in somebody else's field, but you have to give a little something extra to people who are going to be solely responsible for selecting what you can do for a given mentally retarded person and these would be counselors in the State program, social workers and a variety of people that we can induce to take a special interest in this field, who can perhaps get and put more emphasis in working with mentally retarded, but our objective is to try to work with the group that will work either in the competitive labor market or in workshops or in sheltered situations.

Mr. GARRETT. We are planning three regional institutes for training in depth in the area of mental retardation for the variety of specialists Miss Switzer has indicated.

In addition to that, we plan next year—and incidentally, we have a meeting going on right now on this subject—to set up more supervised field work units in rehabilitation counseling and social work—even speech and hearing—that relate themselves to giving people experience in working with the mentally retarded, so that more groups—more counselors, more social workers are coming out in the areas.

Mr. FOGARTY. What are you doing for the blind retarded child?

Miss SWITZER. Oh, dear, the blind retarded child is certainly—

Mr. FOGARTY. You are not doing much, I know. Are you doing anything?

Miss SWITZER. Well, for the child I don't think we are doing anything. That is not our field. But I suppose in any given center—we have some blind retarded—there is not much attention being paid to the blind retarded child by anybody right now.

You know Dr. Rusk had blind and other disabled children, mentally disturbed children—but it is a problem.

And I think it is also a problem to take a mentally retarded child who has some other severe disability—cerebral palsy, for instance.

Mr. FOGARTY. Yes; that is almost as bad.

Miss SWITZER. It is not quite as bad as blindness, maybe.

Or you take a deaf child. But oftentimes you are concerned with the deaf, retardation, and blindness.

REDUCTIONS FROM BUDGET REQUEST

Mr. FOGARTY. You are asking for \$36,830,000 for "Research and training."

What did you ask the Department for?

Miss SWITZER. Well, this is a very complicated story, but I have it all here, if I can just find the pieces of paper.

Mr. FOGARTY. Well, I will save you a little time.

You asked the Department for \$41,400,000.

Miss SWITZER. I know, I have the table, but that isn't the whole story, either. This is very complicated because you have to know what this is made up of.

Mr. FOGARTY. Are these tables not correct that we have before us?

Miss SWITZER. Yes, they are right; but in order to understand what happened, you have to realize that our original estimates were one stage; and there was then added to the original estimates, at the request of various people, what we would like for mental retardation, following the report of the President's Panel, so that what you have, before you, consists of an original figure that we asked for; and then an amount that we—

Mr. FOGARTY. What was that?

Miss SWITZER. The original figure that we asked for, for research, was \$16 million. And then we asked for an additional \$1,500,000 for mental retardation, which made \$17.5 million; this was reduced to \$16,960,000. After that, there is \$3 million allowed for the centers, and \$19,400,000 for training, which made it \$39,360,000 excluding \$300,000 for the domestic support for the foreign currency program. So that made it \$39,660,000.

Mr. FOGARTY. Where did you get this figure, \$41,400,000?

Miss SWITZER. Now, that also includes our request for \$20,200,000 for training, you see. Our request for training money is there too, you see; and \$19.4 million was allowed. So then when it came back, the mentally retarded request was cut down first, in the Department some, and then in the Budget Bureau.

Mr. FOGARTY. This \$41 million down to \$39 million was all done at the Department level. The Bureau of the Budget didn't have anything to do with this.

Is that right?

Miss SWITZER. Yes.

Mr. KELLY. Well, the reduction was made in two bites. The Department reduced the operating agency estimate by \$1,740,000 and the Budget Bureau made a further reduction of \$2,830,000.

Mr. FOGARTY. I thought you were getting along pretty well with the new Secretary, but now I'm not so sure.

Miss SWITZER. This isn't too serious because our original estimate, which was for \$16 million for research and \$19.4 for training, came out pretty well; but the adjustment between the additional amount that was asked for mental retardation, first the Department, then the Bureau of the Budget, combined—

Mr. FOGARTY. Do you mean the Department cut the request for "Mental retardation?"

Miss SWITZER. Yes; they did.

Mr. FOGARTY. With all the interest the President has in that?

Miss SWITZER. Yes; they did.

Mr. FOGARTY. How much did they cut in that part of your program?

Miss SWITZER. They cut it in research from \$1.5 million to \$960,000.

Mr. LAIRD. What did you do? Just start out with a high figure?

Miss SWITZER. No. We were sincere in thinking we would spend \$1.5 million and we had already—

Mr. FOGARTY. You could use that to advantage if you had it, couldn't you?

Miss SWITZER. Yes. We probably could; but we had budgeted, in our original estimate, quite a substantial increase over this year, for the mentally retarded. Mr. Kelly might be able to explain how that came about.

Mr. FOGARTY. Do you still think \$41,400,000 is a good figure?

Miss SWITZER. It was a good, firm estimate, but after all, this is a better record than we ever had before. While I am a great one to fight for the last nickel, I recognize also the fact that—

Mr. FOGARTY. Well, that's what worries me. I am surprised that you allowed this cut to take place.

I don't care about the record before. I don't think that is any argument at all. If I were convinced that \$41,400,000 was the best figure, I would sure hate to compromise.

Miss SWITZER. Well, I felt I made as good a case as I knew how but I didn't just quite win everything I asked for. But I felt that we did get a substantial recognition of the importance of the research and training program; and that the estimates of what 1964 would come to for the recommendations of the President's Panel on the Mentally Retarded of necessity had to be real estimates, because after all the Panel report came out very late in the day, and \$960,000—after all, that is almost a million dollars extra.

Mr. FOGARTY. Well, I am just surprised that they would cut your request—especially the mentally retarded.

Miss SWITZER. I think that probably what happened was the Department took a total look at the whole investment. Mr. Kelly probably knows what was done on that.

Mr. KELLY. On the figures on the mentally retarded, Mr. Chairman, I have already given them to you on education. In vocational rehabilitation this year we are spending \$4,775,000 out of all of the appropriations, and in the 1964 budget, under existing legislation, it calls for \$8,682,000 for programs for mentally retarded. In addition, if the recommended legislation is enacted, an additional \$2,252,000 would be spent in the office of Vocational Rehabilitation.

REHABILITATING PEOPLE FROM SOCIAL SECURITY ROLLS

Mr. DENTON. There is one thing I wanted to ask you about. How are you coming with the rehabilitation in social security? Are you having any better success with that than you did have?

Miss SWITZER. Yes. I think it is slow but it is an improvement.

Mr. HUNT, you have these figures handy here.

Mr. HUNT. We were running—in the number of cases that we were able to get into service, out of those being referred, we were

running around 9 percent the average of those who could become rehabilitated. This is moving up several percent now, because this year and in the last year, 1962, we have rehabilitated almost 5,700 cases.

Mr. DENTON. Now, does that come about in your selection of the cases that you try to rehabilitate?

Mr. HUNT. Yes, that is right. We get a number of referrals, sir, then we screen them well. Those that look as if we could do something with, we take into service.

Mr. DENTON. As a matter of fact, it has been found that a very small percentage of those referred to you under social security, were rehabilitable cases. Is that right?

Mr. HUNT. That's right. About 10 percent.

Mr. DENTON. As a matter of fact, it was a considerable waste in trying to rehabilitate a great many cases as they were not rehabilitable.

Miss SWITZER. No, it is never a waste to try and rehabilitate anyone.

Mr. DENTON. Well, if the person is permanently disabled, you couldn't rehabilitate them, could you?

Miss SWITZER. I don't believe that those people would be taken into the caseload, really.

Mr. HUNT. There are a number of hopeless cases.

Mr. DENTON. Last year, your percentage was way down to a small percentage of 1 percent. You remember the figures, you had. I think that was probably because you took all the cases, and didn't take the cases that you thought were rehabilitable. Isn't that right?

NUMBER ACCEPTED FOR REHABILITATION SERVICES

Mr. HUNT. Let me put it this way. In 1962, there were 519,000 cases that were screened for some kind of rehabilitation potential.

Mr. DENTON. Now, let me get that. Does that mean that there were that many total permanent disability cases under Social Security, where benefits were granted?

Mr. HUNT. No. These are total cases. Some of them are allowed cases and some are not; but there were, under the law, 519,000 cases that were screened for some kind of rehabilitation service, if possible; but of that—and I think this is the figure you had in mind—53,000 actually were put into the rehabilitation caseload; the rest were considered not feasible.

Mr. DENTON. And do I get it, that 519,000 cases were referred to—

Mr. KELLY. These are the number that applied under disability program.

Mr. HUNT. That is right. They are screened for referral.

Miss SWITZER. These are referred.

Mr. DENTON. Under the social security law, when a claim is made, the local office makes an investigation. Then it is referred to Vocational Rehabilitation, which makes a medical investigation.

Mr. HUNT. That is right.

Mr. DENTON. How many cases were referred to Vocational Rehabilitation in that category?

Mr. HUNT. I think 519,000.

Mr. DENTON. That is all of the cases that went to Vocational Rehabilitation.

Mr. HUNT. That is right.

NUMBER REHABILITATED

Mr. DENTON. And of that number, how many did you conclude could not be rehabilitated?

Mr. HUNT. We rehabilitated out of that group, 5,687.

Mr. DENTON. That is about 1 percent.

Mr. HUNT. Of that group, yes.

Mr. DENTON. Yes.

Mr. HUNT. But more than 10 percent; namely 53,000, were selected out of the 519,000 as cases that we could do something with.

Mr. DENTON. Say that again.

Mr. HUNT. 519,000 is the total that were picked out as possible cases and when they examined those, they took 53,000 referrals of those for rehabilitation services—possible rehabilitation services, because they are all difficult cases. Of that group, 5,687, or more than 10 percent were rehabilitated and of that group, 2,071 had been allowed benefits, 2,932 had been denied benefits, and 684 had their applications still in process.

Mr. DENTON. So, of the cases that are referred to you, 10 percent are determined to be rehabilitable; and of that number—

Mr. HUNT. Hopefully, yes.

Mr. DENTON. Yes, and of that number, you rehabilitate about 10 percent.

Mr. HUNT. We closed out 10 percent in 1962.

Mr. DENTON. Which means that you rehabilitate about 1 percent.

Mr. HUNT. Of the original large number of cases that were screened.

Mr. DENTON. That is better than last year, when it was a small percentage of 1 percent.

Miss SWITZER. Yes. I think we're getting better all the time.

REASONS FOR IMPROVEMENT IN REHABILITATION STATISTICS

Mr. FOGARTY. You think that is due to the selection of cases to be rehabilitated, or what?

Mr. HUNT. I think it is due to better evaluation and more intensive services. I think the rehabilitation people are learning more about how to handle some of these cases. Some of the results of our research are beginning to have their impact in the rehabilitation of these people, too.

Mr. KELLY. And, of course, some of them take longer than a year, Mr. Denton, so that they will not show up as a rehabilitation during that period. They may still be in service and they still may show up as a rehabilitation later.

Mr. DENTON. It would take a pretty rare one to run much over a year, wouldn't it?

Mr. KELLY. The average rehabilitation takes 14 months in the total program.

Mr. DENTON. Well, that is where you train them and educate them and things like that.

Miss SWITZER. Well, now. You have a quadriplegic—

Mr. DENTON. A what?

Miss SWITZER. A quadriplegic. There is a description of a very interesting case that came in the mail this morning. It happens to be in one of our projects in Cleveland. To take a boy who has to have

all kinds of special gadgets, who has to have surgery and everything else, a year is not a very long time to make him self-supporting and self-sustaining.

SAVINGS FROM REHABILITATING WELFARE RECIPIENTS

Mr. DENTON. We talked about the amendments to the welfare law last year, and you were given a certain sum of money to rehabilitate cases under welfare, were you not?

Miss SWITZER. No. We were given nothing.

Mr. DENTON. You did undertake to rehabilitate some of these people under welfare?

Miss SWITZER. We didn't get any welfare money for it. All these people that were rehabilitated through our program were rehabilitated through vocational rehabilitation funds.

Mr. DENTON. The Secretary said they saved \$17 million by rehabilitating people. Now, who did that?

Miss SWITZER. We did.

Mr. DENTON. What funds did you get for that purpose?

Miss SWITZER. Rehabilitation funds.

Mr. HUNT. The regular funds we are asking for here.

Mr. DENTON. Was your budget increased any last year, in order to rehabilitate these people on welfare?

Miss SWITZER. No, sir.

Mr. KELLY. No.

Mr. DENTON. Now, would those people have been eligible for rehabilitation?

Miss SWITZER. We have had, for years, a regular program of working with public welfare cases, and over the years, a percentage of the total has always been public welfare cases.

Mr. DENTON. What I am trying to get at is this: we were told, at great length, that welfare was going to be put on a new basis; that they were going to rehabilitate people; and the Secretary told us that they saved \$17 million by rehabilitating.

Now, what did you do this last year more than you have done before, to enable them to save \$17 million?

Miss SWITZER. Well, I would have to see what the context of that was, because I don't know.

Mr. DENTON. Mr. Kelly was here.

Mr. KELLY. Let me try it this way.

The program for vocational rehabilitation was increased. Part of that increase applied to an increased caseload of public assistance persons but it was a part of their regular ongoing program.

Mr. DENTON. Mr. Kelly, tell me, how much was it increased because we were going to rehabilitate people on welfare?

Mr. KELLY. None of the increase that we are here talking about was occasioned by the welfare amendments of 1962.

There is, however, a provision in the welfare amendments of 1962 which authorized the States to provide, or obtain by contract, services of a rehabilitative nature, in which the Federal Government will match 75 percent of the costs. There are two kinds of changes:

(1) Heretofore, we would not match costs, other than the payment for recipients, of more than 50 percent, and

(2) —

COST COMPARED TO SAVINGS IN REHABILITATING WELFARE CASES

Mr. DENTON. I asked two or three people, what did it cost us in rehabilitation expenditures in order to save the payment of \$18 million in welfare payments?

Mr. KELLY. Well, the savings were \$18 million and the costs of rehabilitation were \$18 million, and that cost of \$18 million—

Mr. DENTON. What did we gain by that, when we save \$18 million and spent \$18 million?

Mr. KELLY. The \$18 million that we saved was a subsistence payment; that goes on, year after year. The rehabilitation cost was a one-time cost that went on for a year. The savings will then occur, thereafter.

Mr. DENTON. That is all for now, Mr. Chairman.

REDUCTION IN ORIGINAL REQUEST FOR RESEARCH AND TRAINING

Mr. FOGARTY. So the Department cut you down from \$41,400,000, to \$39,660,000; then the Bureau of the Budget gave you another cut down to \$36,830,000.

What would happen if the committee decided to give you \$41,400,000? Do you think it could be used?

Miss SWITZER. Of course; we would just intensify our work and get more people rehabilitated.

Mr. FOGARTY. I thought this was one of the areas where we needed a lot of work. We have been talking about the lack of trained physical therapists and all kinds of specialists to work in this field. I thought this was holding back the whole program, the lack of trained personnel.

Miss SWITZER. Well, we do have an increase, of course.

Mr. FOGARTY. That isn't much of an increase.

TUITION UNDER TRAINEESHIPS

Mr. FOGARTY. You have an increase of \$2,073,000 to increase the amounts allowed for traineeships to cover payments for tuition costs.

What makes this change necessary?

Miss SWITZER. The only one of our programs now where we pay tuition as part of our traineeship is rehabilitation counseling.

Mr. MARTZ. That is correct.

Miss SWITZER. And the competition to get good people, and to bring us closer to uniformity with other parts of the Department, particularly in high-cost fields like speech and hearing, making it absolutely necessary for us to pay tuition if we are going to have the kind of people in our program that we want to get. Almost everybody else giving traineeships pays tuition, and this is an all-important increase that is necessary.

Mr. KELLY. This committee did make this possible for tuition to be paid in part of the program. I think it was 2 years ago, was it not?

Miss SWITZER. In rehabilitation counseling?

Mr. KELLY. Yes.

Miss SWITZER. Yes.

Mr. KELLY. And this is the completion of that program?
Miss SWITZER. This is the completion of it.

VARIATIONS BETWEEN AGENCIES REGARDING TRAINEESHIPS

Mr. FOGARTY. Why are there these variations between Federal agencies, regarding what expenses are covered by traineeships?

Mr. KELLY. I think it is because each of them developed programs—

Miss SWITZER. At a different time in history.

Mr. KELLY. They occurred at different times. From time to time, we try to balance out the programs. Here, we are trying to balance out the vocational rehabilitation program, to make it comparable in both what was covered, and the types of stipends, with those of the National Institutes of Health. However, recognizing that we did get out of phase on training programs, the Secretary did establish a committee that is being headed by Dr. Kidd from NIH and has representation from each of the operating agencies to try and get more uniform policies.

Mr. FOGARTY. Well, what would prevent one agency from bidding against the other?

Mr. KELLY. As I say, we recognize that this is a real problem, and the Secretary did ask Mr. Wilbur Cohen to look into it. He created a committee headed by Dr. Kidd, whose job it is to do two things:

(1) To work with the operating agencies to try and develop what is the best policy and then have everybody apply it; and

(2) To try to identify what the most serious training gaps are so that our funds are going for the highest priority items and not outbidding each other.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

Mr. FOGARTY. Next is "Research and training (special currency program)." The appropriation for 1963 is \$2 million; the request for 1964 is \$3 million, an increase of a million.

You asked the Department for \$3 million 8. They gave you another cut here of \$300,000; then the Bureau of the Budget cut you another \$500,000.

Miss SWITZER. Well, the \$300,000, I think they put that up in the research and training appropriation. Isn't that right, Mr. Kelly? This is so complicated; I wrote this all down yesterday. I try to understand it, and every time I look at it, I come up with something else.

Mr. KELLY. We took out of here the U.S. currency request and put that in the appropriation with the domestic research and training program; so that all funds under the foreign currency appropriation are foreign currency.

Miss SWITZER. Yes.

Mr. KELLY. And that was the reason for the departmental cut.

Miss SWITZER. And the Budget Bureau, I suppose, has to consider the overall demands in this field and really, they always called the shots, as far as what we could put in the budget is concerned; not necessarily, I think, on the merits of our proposals but on their knowl-

edge of what would be surplus in the different countries in which we are operating. If I understand their action, it was to this point. Am I right about that, Jim?

Mr. KELLY. As far as I know. I don't have an identification of the countries.

Miss SWITZER. As far as I know, that is the reason they did not give us all we asked for.

Mr. MARTZ. One of the things that happened is that one of the countries that had originally been put on our list went off the excess currency list.

Miss SWITZER. Went off the surplus funds, yes.

FORWARD FINANCING

Mr. FOGARTY. Under the program increases, the justifications say for the full cost of rehabilitation-research projects which will be approved in 1964—

Mr. KELLY. In connection with the foreign currency program, Mr. Chairman, this is one place where we have full funding, so far as I know, with the committee's agreement.

The first year we had this, we indicated that we were supporting a policy of full funding here, because of the nature of the money. Once you undertake a 3-year project you should tie up the excess foreign currency funds for the whole life of the project.

Miss SWITZER. Yes. This is absolutely necessary.

Mr. KELLY. And it is sort of an essential characteristic of this program, and I think is a different issue than the full funding problem that relates to the use of our regular funds.

Mr. FOGARTY. How much is included in the request for funding projects after 1964?

Mr. KELLY. I don't have the figure available.

Miss SWITZER. Roughly, they are 3-year projects.

Mr. FOGARTY. Mr. Kelly, will you place in the record the amounts in the 1964 budget for expenses after 1964 for each of the Department's programs that include forward financing?

Mr. KELLY. Yes, sir.

Mr. FOGARTY. Excluding construction programs.

Mr. KELLY. Yes.

(The statement requested follows:)

Amounts included in fiscal year 1964 budget for expenses to be incurred after 1964 in programs with full funding

Vocational Rehabilitation Administration: Research and training (special foreign currency program)-----	\$1, 500, 000
Public Health Service:	
Research grants for hospital construction-----	1, 600, 000
Scientific activities overseas (special foreign currency program) _	4, 430, 000
Welfare Administration:	
Juvenile delinquency and youth offenses-----	6, 250, 000
Research and training (special foreign currency program)----	400, 000
Total Department of Health, Education, and Welfare-----	14, 180, 000

Mr. KELLY. May I say, this is true of all of the foreign currency programs; but other than the foreign currency programs, it is true of only two programs. They are juvenile delinquency and hospital

construction research. In both latter instances, this is requested because it is required by law. In those cases, where it is permissive, we have not put in forward financing.

EXAMPLES OF FOREIGN RESEARCH PROJECTS

Mr. FOGARTY. Give us some specific examples of projects now in operation that you feel are good, worthwhile projects.

Miss SWITZER. Do you mean overseas?

Mr. FOGARTY. Foreign projects.

ISRAEL

Miss SWITZER. I will give you a few examples in Israel because I have been there and seen them. The people who have seen some of the others can give you some examples too.

There is a very intriguing projects which the Ministry of Health in one of the Rehabilitation Centers in Israel is sponsoring on the cost of not doing rehabilitation.

This is going to be a fascinating, economic eye-opener.

They have combined forces with the Ministry of Labor—the economists and physicians who are working with patients. They have taken two groups of patients, young victims of rheumatic heart disease, and middle aged and elderly people with coronaries. These people have been in the hospital for at least 2 years, and the assumption is that everything that they can do has been done. They are analyzing the cases as to what it would take to do a rehabilitation job and what it could cost and then they are going to show each year, if you don't do it, what it costs. The way they have broken it down—what we are going to price out—is really one of the cleverest and most imaginative pieces of research I have seen in a long time.

This is going to give us a clue. If we can duplicate this in a couple of our heart disease hospitals, I think we would have one of the most dramatic stories we could tell, besides actually showing the value of doing something for people.

That is one example.

Then, I was very fascinated, because I happen to be very interested in Hansen's disease—leprosy. We have a project in India, which grew out of Dr. Brand's, the great plastic surgeon, interest in hands during the war. He was in the Royal Air Force.

In Israel, they are attacking the problem of paralysis of the hand, by transplantation of a nerve so that instead of getting a claw hand, which you can't do anything with, you can arrest the course of paralysis very cleverly, with neurological operation.

Israel has just about the same amount of leprosy that we do, in proportion to population. They have a great interest in helping the African countries. They are doing quite a job there. We are interested because we have a project in India, and are finding that the surgical procedures that are worked out for leprosy in these paralytic situations for the hand, particularly, by virtue of what our visiting specialists have brought back with them from Dr. Brand's project, in India, and extraordinarily useful and provocative to some of the hand surgery that is going on over here.

A third example is interesting because of the fields of employment it opens up. I mentioned earlier that the problem of the blind in Israel is one of young immigrants that come from trachoma-ridden countries in the north of Africa-Morocco, and the other places. They have about the same percentage of the total population as we do who are blind, but their blind are almost all young, instead of being old, as ours are. So they are looking for long-range employment opportunities, that build into the industries of Israel. Among the most interesting new things that I saw when I was there, was a very comprehensive training program for the blind, in textile processes which we are supporting in part. This is one of the big industries in Israel. The project is a fine example of taking each step in the process of textile manufacture, and working blind people into it. Another very fascinating thing, which could have quite far reaching effects, particularly for the young, intellectual blind, is the training they are doing with the IBM machines. We, strangely enough, have done almost nothing in this country in that area, although we have done a lot of other things for the blind here. These are examples of the projects that have impressed me.

Now, I think that Mr. Garrett who has been to Brazil and to some other places has examples.

Do you want to give an example, Mr. Garrett?

BRAZIL

Mr. GARRETT. I will take one illustration in Brazil.

I think one of the most interesting projects we have in Brazil, where we have three, has to do with a shortened period of training for prosthetists and orthotists.

In this country, as you know, most of this training is done on the job. It is done by the apprentice system, and it takes about 2 or 3 years.

In Brazil, in this program, by using prefabricated parts, they are able to train their prosthetists and orthotists to work in their clinics down there in a period of 3 to 4 months.

Now, the obvious implications of this, in times of disaster, are rather tremendous, but to get to a point which Miss Switzer mentioned, about the importance of this—aside from rehabilitation—Volkswagen, which has a very extensive operation in Brazil, has now started a whole new industry in Brazil in the manufacture of prefabricated parts so in addition to merely the question of training people in this fashion, which is most effective (Mr. Hunt and I both had an opportunity to observe this) it has resulted in an economic gain to the country in the sense of a new industry.

Joe, do you want to comment further?

INDIA

Mr. LA ROCCA. I want to add a little to what Miss Switzer said about the project on leprosy in India.

In connection with that project, a number of American surgeons from our medical schools are going to India, and are working on that

project, 2 months in rotation. Eleven have gone from Harvard, Yale, Johns Hopkins and other medical schools.

Mr. FOGARTY. Put the names in the record.

Mr. LA ROCCA. I will put them in.

(The information follows:)

INTERCHANGE OF EXPERTS

Section 4 of the International Health Research Act (Public Law 86-610) authorizes the Vocational Rehabilitation Administration to arrange for the interchange between the United States and participating foreign countries of scientists and experts engaged in rehabilitation research. Under this program a group of American specialists in plastic surgery has been organized to go to Vellore, India, in rotation to work on the leprosy research project that VRA is helping to support with Public Law 480 funds at the Christian Medical College and Hospital. The American doctors who have gone to Vellore are as follows:

Robert A. Chase, M.D., associate professor of surgery, Yale University School of Medicine.

Milton T. Edgerton, Jr., M.D., associate professor of surgery, Johns Hopkins University School of Medicine.

James H. Hendrix, Jr., M.D., clinical assistant professor of surgery, University of Mississippi Medical Center.

Francis W. Masters, M.D., associate professor of surgery, University of Kansas Medical Center.

Joseph E. Murray, M.D., senior associate in surgery, Peter Bent Brigham Hospital.

Erle E. Peacock, Jr., M.D., assistant professor of surgery, University of North Carolina, School of Medicine.

Peter Randall, M.D., assistant professor of surgery, Hospital of the University of Pennsylvania.

David W. Robinson, M.D., professor of surgery, University of Kansas Medical Center.

Ellen M. Vogel, M.D., radiologist, Rancho Los Amigos Hospital, Downey, Calif.

William L. White, M.D., associate professor of surgery, University of Pittsburgh, School of Medicine.

Mr. LA ROCCA. One of them, Dr. Murray, from Harvard, the 2 months he was there, worked on skin transplants between different people. As you know, this cannot be done except for identical twins, but they feel in certain stages of leprosy, this is possible to do. And this is what he is pursuing, because if this can be done with all people, it will be quite a breakthrough.

Dr. Peacock, at North Carolina, worked on the hand involvements that Miss Switzer mentioned, and he is now doing the same kind of thing in North Carolina for our people with disabled hands that are disabled by a different cause, and giving function to them at low cost. He is not hospitalizing his people. He is rehabilitating them at a considerably lower cost than was possible before.

In every case where we have a project, we try to establish an exchange of experts with the project. Another example is Dr. Antia in India, who is working on burns. There are a vast number of burns in India, because the women wear saris which they drag on the floor and catch fire from the cooking fire in the center of the floor. Our doctors are interested in working on burned patients there because of the large numbers of cases that they would never see in the United States.

This is an example of the interchange. One unfortunate part about it is we cannot bring foreign experts over here because we don't have the dollars with which to pay their living costs after they get here. We can pay their transportation with rupees, or other foreign currency, but we don't have the dollars for expenses in the United States.

REHABILITATING PERSONS HAVING HANSEN'S DISEASE

Mr. FOGARTY. What are they doing in Carville.

Miss SWITZER. In Carville? I am not sure. I have not been to Carville for a couple of years, but they are——

Mr. KELLY. They have just announced a breakthrough, that they will testify to here, that is of real moment. For the first time, they have been able to develop the disease in a test animal, and so this opens up a whole new research area for it.

Miss SWITZER. Rehabilitation in Carville has been a slow process, although it is gradually getting better, because of the age-old fear. Actually, leprosy is Hansen's disease.

However, I hear from time to time of very encouraging reports of people that have been received back in their communities.

Mr. FOGARTY. Pardon me, but I hear some very discouraging reports.

Miss SWITZER. Oh, yes. You will hear very discouraging reports but now that you can arrest the disease with the new drugs, the problem should be met much better.

Mr. FOGARTY. For instance, about a year ago a person—I think she married a doctor down there—was apparently cured, and had a job, but it was found that she was a former patient at Carville and she lost the job. It was not a question of the people for whom she worked firing her; but it was a question of the people who worked with her threatening to quit unless she was fired. So she was fired, and the last I knew, she had a job in a library somewhere. I suppose if the people there learn of her background it would be a problem again.

I have had some bad reports about people having trouble making a living after they are released from the hospital.

Miss SWITZER. There is the difficulty of placement.

I think our rehabilitation people in Louisiana are constantly working with them to try, but it would be foolish to say——

Mr. FOGARTY. If you can't do it in Louisiana, you sure can't do it anywhere else, can you? Aren't most of the patients from that section of the country?

Miss SWITZER. They are, and there are certain places in Texas, too. Interestingly enough the successful placements tend to be made in the big cities such as New York. Wherever I heard of a case that has gone forward and gone out, it has been a big city.

In Israel, they do a very interesting thing about this. They change the person's name, and the identity of the individual. Of course, they can do this because the movement of people is so fast. They take the person and put them in a job, and they give them a new identity, so that the fact that they have been in the leprosy hospital cannot catch up with them.

You would think in a small country like Israel, this would not be possible, but it has been quite successful.

Mr. FOGARTY. Are you for it?

Miss SWITZER. Am I for it?

Mr. FOGARTY. Yes.

Miss SWITZER. I thought it was a unique way of accomplishing rehabilitation. It is one of the most fascinating mornings I spent there.

COUNTRIES INVOLVED IN FOREIGN CURRENCY PROGRAM

Mr. FOGARTY. Will you put in the record what countries you have projects in actual operation now, and which countries you expect to have projects next year, and a description of the projects that have been approved.

Miss SWITZER. Yes, sir.

(The information follows:)

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

Thirty-one projects are currently in operation under Vocational Rehabilitation Administration's international rehabilitation research program and an additional 25 projects will be approved in fiscal year 1963. In addition, project proposals now on hand would permit the approval of 45 new projects in fiscal year 1964. The number of research projects that will be in operation, by country, in fiscal years 1963 and 1964 are as follows:

Country	Number of projects, fiscal year 1963	Number of projects, fiscal year 1964
Brazil.....	3	13
Burma.....	1	3
Egypt.....	3	9
India.....	15	27
Indonesia.....	2	6
Israel.....	18	26
Pakistan.....	6	13
Poland.....	2	5
Syria.....	2	12
Yugoslavia.....	4	7
Total.....	56	101

¹ No funds available for fiscal year 1964.

The 31 research projects currently in operation are described in the statement below by sponsoring organization, duration, and the nature of the research being conducted.

Summary listing of projects approved under international rehabilitation research program as of Feb. 1, 1963

BRAZIL

Sponsor	Duration (years)	Title, purpose, and description
1. Associação de Assistência a Criança Defeituosa, Rua Albuquerque Lima, 902, São Paulo, Brazil.	3	Experimentation with the cerebral palsy to confirm and extend major techniques in evaluating and classifying them in regard to vocational potential; to confirm and demonstrate further the effectiveness of the various simple techniques in their vocational evaluation; and to provide more effective evaluation facilities for this group of disabled people, thus to contribute to increased rehabilitation efforts on their behalf.
2. Associação de Assistência a Criança Defeituosa, Rua Albuquerque Lima, 902, São Paulo, Brazil.	1½	Research in development of short-term training methods for orthotists. To test the hypothesis that orthotists can be trained to fabricate, modify, adjust, and fit prefabricated orthoses within a period of 4 months. To discover means of stimulating occupational and physical training for domestic use and export to nearby countries. Hypothesis to be tested in Brazil and Peru through a series of 3 or more 4-month courses utilizing existing facilities and services in Brazil and Peru.
3. Instituto de Reabilitação, Rua Professor Ovidio Pires de Campos, an., São Paulo, Brazil.	2	Research into practical methods of evaluating the work capacity of the disabled patient. To devise and apply tests on selected patients, to relate findings to working conditions in Brazil, and to evolve the most suitable methods of testing patients' abilities and training evaluations for other work capacity units in Brazil.

BURMA

1. Ministry of Social Welfare in cooperation with the Board for Rehabilitation and Employment of Disabled Persons and other Government and voluntary agencies concerned with the disabled.	3	To develop and evaluate methods for establishing a comprehensive rehabilitation service under Government auspices in an economically developing country. Among other things the project will examine ways of bringing the resources of voluntary organizations and public services for the rehabilitation of the disabled into the test of administration and methods of providing service and, in serving as a pilot project, will provide the basis for the establishment of similar coordinated programs in other areas of the country at such time as resources permit the establishment of these services.
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UNITED ARAB REPUBLIC (EGYPT)

1. United Arab Republic Ministry of Social Affairs and Labor, Egyptian region, in cooperation with the Cairo Rehabilitation Center, Heliopolis, Cairo, United Arab Republic.	3	To investigate methods for the rehabilitation of youths disabled by heart impairments by providing comprehensive rehabilitation-directed services experimentally to a selected group of heart patients, for comparison of results with those of a control group that will not receive such rehabilitation services; to evaluate the results, identify the needs which must be met in order to insure maximum restoration of these youths to fullest possible usefulness and to develop new methods and techniques and improve known methods and techniques, in order to achieve rehabilitation processes of greatest effectiveness.
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INDIA

1. Christian Medical College, Brown Memorial Hospital, Ludhiana, Punjab, India.	3	To experiment with and to determine the most practical indigenous handicrafts of India to teach the severely handicapped patients (particularly paraplegics) while they are under hospital care, with a view to fitting them to earn a livelihood after they leave the hospital.
2. Nagpur Association for the Rehabilitation of Children With Orthopedic Disabilities (NARCOD), Nagpur, India.	3	Coordinative rehabilitation services. NARCOD proposes to undertake something entirely new to India, a central office to coordinate, assist, and make available, through correct information and guidance, all possible facilities in the city of Nagpur, to the handicapped of all categories. This will involve (a) a survey of existing facilities and their working, (b) publicity not only on where to get assistance but also along lines of early finding and treatment to reduce consequences, and (c) publicity and public pressure to bring about the setting up of needed facilities. In many cities and towns of India, services are available for 1 or more categories of the handicapped but the general and needy public are too often hardly aware of the facilities. Hence, a central information service could do much. Also, frequently the best services are the least known and receive little or no assistance in their most worthy activities. So it is considered that a pilot project to survey the facilities in a typical city and actually study and carry out the work of advising and guiding those who need such services would be an important contribution not only to Nagpur but would also lay down the procedures and try out methods of publicity and services so that other cities and large towns could be given a blueprint for similar projects. Such a project as envisaged would at the same time give real service to thousands, highlight needs, and even assist in the development of necessary services.
3. Children's Orthopedic Hospital, Society for the Rehabilitation of Crippled Children, Haji Ali Park, Clerk Rd., Malabar Hill, Bombay.	3	To experiment with methods for the rehabilitation of severely disabled cerebral-palsied children including work evaluation and work preparation in a workshop setting of those children of working age.
4. J. J. Group of Hospitals (Plastic Surgery Unit) in cooperation with Acworth Leprosy Home and Chembur Leprosy Bazaar's Home, Bombay, India.	3	This project has two parts: (a) Establishment of a fully organized pilot center for the treatment and rehabilitation of patients who have been burned and compilation of statistics and study of the causes of burns. Burns are a serious problem in India. The mortality rate is suspected to be extremely high. Beside mortality, extensive hospitalization due to secondary infection and lack of early and extensive skin grafting produces tremendous morbidity and loss of work hours. Many patients, after months of treatment in the general wards of hospitals, end up in gross contractures which require further prolonged reconstructive surgery. (b) Investigation to determine the relative rehabilitation potentials of leprosy patients with different types of deformities, e.g., facing deformities of the hands, deformities of the feet, and assessment and evaluation of the effects of surgery on the rehabilitation of such disabled patients. An investigation of nerve trunks in limbs which are frequently the site of manual (though not initial) damage and sensation loss, or the sensory and motor deficits in leprosy, the polyneuritic manifestations produced by both the nerve trunk disease which often constitutes the major deformities and physical handicaps precipitated by leprosy; and the possibility of developing surgical therapeutic techniques for the prevention of nerve trunk damage. Until now, the surgical and physiotherapeutic approach to deformities has been restricted to the correction of established contractures and treatment of trophic lesions. The present investigation will focus on detailed studies of nerve trunks in the limbs, during operations and necropsy, at various stages of involvement in leprosy. These studies will enable correlation of clinical and pathological data on nerve damage at different anatomical sites, complete sectional studies on autopsy material, and muscle and skin biopsies. Limited physiological observations will be made on exposed nerve trunks, groups of nerve fibers and muscles. Electrical stimulation will be employed and accurate recordings will be obtained of the responses evoked. If these correlative studies indicate restricted localized damage to nerves, then the possibility of nerve repair by operative anastomosis and/or grafting will be attempted.
5. J. J. Group of Hospitals in cooperation with Acworth and Chembur Leprosy Homes, the Indian Cancer Research Center and Indian Council Medical Research Neuropathology Unit, Bombay, India.	4	

Summary listing of projects approved under international rehabilitation research program as of Feb. 1, 1963—Continued

Sponsor	Duration (years)	Title, purpose, and description
INDIA—Continued		
6. The Tata Agricultural and Rural Training Center for the Blind, Jehangir Wadia Bldg., Mahatma Gandhi Rd., Bombay, India.	3	To experiment with ways of rehabilitating the blind as farmers and handicraft workers and resettling them in the villages in India, to investigate the methods of crop production and crafts regionally and to ascertain which of these will be best suited for the blind in each particular case, to evolve the application of techniques at present in vogue in the West and in Africa and apply these to Indian conditions, and to study the handicap of blindness in terms of environment relatively isolated from civilized amenities.
7. Christian Medical College & Hospital, Post Box 3, Vellore, South India.	3	To investigate methods for the rehabilitation of persons disabled by leprosy including (a) the study of surgical reconstruction of deformed and paralyzed patients, (b) experimentation in the care and treatment of anesthetic limbs and the development of special appliances to replace ordinary prosthetics that are frequently unsuitable for such limbs, (c) experimentation in low-cost modifications of treatment methods applicable in rural surroundings, and (d) investigation of vocational training methods and job placement of such patients.
8. All-India Institute of Medical Sciences, Ansari Nagar, New Delhi, India.	3	Investigations of the factors in the teaching of medical sciences affecting the use of the team approach for rehabilitating the sick.
9. The National Association for the Blind, Jehangir Wadia Bldg., 51 Mahatma Gandhi Rd., Fort Bombay, India.	3	An investigation of rehabilitation workshop methods which would foster the absorption of blind workers into open competitive employment.
10. Christian Medical College and Brown Memorial Hospital, Ludhiana, Punjab, India.	4	Research and demonstration project for the operation of a mobile ophthalmological unit to provide intensive ophthalmological and other rehabilitation services to disabled people with serious sight impairments living in villages near Ludhiana, India, and in the adjacent foothills of the Himalayas, looking to their return to useful productive work and living.
ISRAEL		
1. Research Laboratory for Cardio-Vascular Disease, Government Hospital "Donolo," Jaffa-Tel Aviv, Israel.	3	This project will investigate the influence of body activity on the physical and vocational rehabilitation of coronary patients. The present consensus regarding the treatment of patients suffering from myocardial infarction and ischemic heart disease is aimed at the restriction of physical exertion. This often involves a change of profession and work in the afflicted patients and provokes serious social problems and psychological frustration. Some theoretical speculations and the results of 2 previous studies cast doubt if this approach is necessary and beneficial (or perhaps it may be harmful). The results strongly suggest that body activity is not only useful in the prevention of myocardial infarction in middle-aged patients but also has a favorable influence on the prognosis. This project proposes to study the question in 2 parts; namely, a retrospective part and a prospective part: (1) Retrospective part—followup studies of hospital and other patients to investigate the course of middle-aged coronary people who were occupied with bodily work and after myocardial infarction, (2) prospective part—gradual physical training will be given to about 100 coronary patients, primarily physiotherapeutic exercises and continued by appropriate sports and other health maintenance activities. Appropriate biochemical and electrophoretic investigations will also be performed to investigate the connection between cholesterol and other lipids with the incidence of myocardial infarction in middle-aged people, and also in regard to survival and cardiac fitness. Biochemical investigations will be continued to examine the mutual influence of the social situation, different kinds of diet and type of work upon atherogenic lipid pattern.

2. The Paul Baerwald School of Social Work, the Hebrew University in cooperation with Rehabilitation Division, Ministry of Defense, North Annex, King David Hotel, Jerusalem, Israel.
3. Malben-IDC (Institutions for the Cure of Handicapped Immigrants), 12 Eliezer Kaplan St., Tel Aviv, Israel.
4. Department of Physical Medicine and Rehabilitation, Hadassah University Hospital, Hebrew University, Hadassah Medical School, Post Office Box 499, Jerusalem, Israel.
5. Ministry of Labor, Division for Youth and Vocational Education.
6. Beith Loewenstein Rehabilitation Center of the Worker's Sick Fund (Kupath Cholim), Ramana, Israel.
7. Ministry of Health, Jerusalem, Israel.

2. To study 2 groups of disabled veterans, 1 of which has a 20-percent disability and is receiving monthly disability compensation and the other with a 19-percent disability granted no monthly compensation, to determine the effects of monthly compensation grants on the use made by the grant recipient of the job placement services of a rehabilitation agency.
2. Pilot project for the application of experimental techniques for the assessment of the vocational rehabilitation potential and requirements of adult cerebral-palsied patients to provide a basis for planning community services and facilities directed toward their employment in suitable jobs.
2. Survey of hemiplegics and the rehabilitation of hemiplegics in Israel. The objectives of this project are (1) to provide a good evaluation of the incidence and prevalence of hemiplegia in Israel during the 5 years 1955-60 as to cause, duration, complications, therapy, and rehabilitation; (2) to provide data concerning the psychological and psychosociological response to hemiplegia on behalf of the patient himself and his surroundings, with special stress on the sociological and ethnological structure of the community of the patient in question; (3) investigation of speech involvements and resulting mental and emotional conditions, and evaluation of speech therapy; and (4) final total rehabilitation assessment and planning of rehabilitation, including vocational rehabilitation, for the future based on the assembled data.
3. Establishment of an observation center for the occupational rehabilitation of handicapped persons. This experimental center will (a) provide occupational and vocational guidance to handicapped persons who cannot be placed in training or employment without observation under work conditions and (b) to find a correlation between specific handicaps and specific jobs which are available in the Israel labor market and which are suitable for rehabilitation of handicapped persons.
- The center will be set up in the vicinity of Tel Aviv in conjunction with the hospital for the seriously disabled maintained by Malben. The center will utilize the facilities of the hospital as well as the professional skills of the hospital staff.
- The center will include the following: (a) Workshops equipped with tools, appliances, machines, etc.; (b) rooms for medical examination, interviewing, and psychological testing; (c) classrooms for the teaching of academic subjects such as job mathematics; (d) a gymnasium for physical training and physiotherapy; (e) office space; (f) dining room and kitchen; (g) recreation room; and (h) a plot suitable for agricultural activities.
- 2½. Influence of cultural background, education, and state of assimilation on result of rehabilitation. From the beginning of the mass immigration of Jews from primitive oriental countries, it is the experience of people working in the different rehabilitation services that the more primitive a disabled person is, the less are his chances for successful rehabilitation. The reasons for this still have to be established.
- A study on the rehabilitation of paraplegics, not yet completed, shows that of the paraplegic patients treated between 1944 to 1958, in the Beith Loewenstein Center, of 45 persons of Western origin, 76 percent came to a satisfactory rehabilitation, while of 17 of oriental origin, only 41 percent were successfully rehabilitated. By investigation of the causes of this difference it is hoped that there can be improvement in handling the following problems: (a) Is there a discernable group of disabled persons whose rehabilitation potential is so low because of nonmedical facts that a prolonged rehabilitation is not indicated? and (b) is there a discernable group of disabled persons whose motivation is lacking or insufficient, but could be improved by special methods? The consequences of this investigation on hospital and other expenses and upon the creation of useful manpower are clear.
1. An inquiry into causes and costs of the nonrehabilitation of patients hospitalized because of cerebrovascular accidents or valvular disease of the heart. To inquire into the professional and administrative factors during hospitalization and after discharge which may be responsible for the nonrehabilitation of patients and to estimate the costs which their nonrehabilitation imposes on the economy.

Summary listing of projects approved under international rehabilitation research program as of Feb. 1, 1963—Continued

Sponsor	Duration (years)	Title, purpose, and description
ISRAEL—Continued		
8. Department of Physical Medicine and Rehabilitation, Hadassah University Hospital, Hebrew University, Hadassah Medical School, Post Office Box 499, Jerusalem, Israel.	2	An electrodiagnostic study of the anesthetic types of Hansen's disease to (a) find electrodiagnostic pattern for the anesthetic type of Hansen's disease; (b) compare the accuracy and reliability of the electrodiagnostic tests; (c) investigate the possibility of an earlier response to a certain medication by electrodiagnostic means (as compared with the clinical, bacteriological, or immunological studies) and, if conclusive, an earlier evaluation of a certain drug in a certain patient; (d) evaluate the possibility of finding very early Hansen's disease in endemic areas, by electrodiagnostic means; (e) evaluate different drugs upon the neuromuscular system; and (f) make early diagnosis of an eventual relapse.
9. Ministry of Social Welfare in cooperation with the Orthopedic and Rehabilitation Department, Heart Institute of the Tel-Hashomer Hospital.	3	Research and demonstration project for agricultural training of handicapped, with special reference to eliminate, in connection with agricultural work, the training and employability of handicapped persons, mainly cardiac cases (myocardial disease after coronary artery disease) and coronary artery disease. Various branches of agricultural studies are being investigated, including the growing of and the rearing of, and the keeping of the rapid industrial development in Israel, resulting in a very full employment, in order to provide for the country and the newly established industries, particularly in developmental areas, of the able-bodied to follow these industries wherever they are, leaving the agricultural areas with serious lack of laborers. Prevailing attitudes practically preclude any physical work by people with heart conditions, particularly work in agriculture, with the result that there are a great many so-called unemployables in areas where laborers are needed. The testing of people with such handicaps as to their capabilities for work in different aspects of farming is of great importance not only for their own rehabilitation but also for helping to overcome the manpower shortages in rural areas.
10. Hebrew University, Hadassah Medical School, Jerusalem, Israel, in association with the National Insurance Institute, the Rehabilitation Division of the Ministry of Defense.	3	To isolate factors determining the adjustment of persons injured as a result of their employment or military service to provide the foundation for action which will increase both the rate of adjustment and the number of persons adjusting to handicaps resulting from such injuries, to use such findings to test the effectiveness of rehabilitation services in meeting such needs as are indicated by the investigation, and to provide a basis for more effective planning in case management and national programs.
11. Ministry of Social Welfare, Jerusalem, Israel, in conjunction with the Industrial Department of the Israel Institute of Productivity (Textile Unit), Citrus House, Tel-Aviv, Israel.	(1)	To experiment with methods of training the blind in cone winding, cotton spinning, and wet winding cotton weaving. To experiment in a training center with the teaching of the complete range of operations necessary for handling of machinery in the textile industry, adapted to the working ability of blind people, to provide for maximum utilization of the working capacity of blind persons and securing skilled manpower for the textile industry.
PAKISTAN		
1. Postgraduate Medical Center, Jinnah Central Hospital Compound, Karachi, Pakistan.	2	An epidemiologic study of cardiovascular disease. The Postgraduate Medical Center proposes to determine certain valid aspects of the cardiovascular status of the adult population of Pakistan. Despite ethnic, occupational, nutritional, and cultural differences, Western standards are used to establish the presence or absence of disease in natives of Pakistan. In this investigation an effort will be made to survey such measurable phenomena as blood pressure, pulse rate, etc., and to detect the frequency of abnormalities. These abnormalities will be studied more intensively.

YUGOSLAVIA

1. Institute for Tuberculosis of the Republic of Serbia (affiliated with the university), Belgrade, Yugoslavia.	5	An investigation of rehabilitation methods to use with patients disabled by tuberculosis in a program of medical treatment and work therapy both in the hospital and on the job. A primary objective of this project is to discover ways of improving rehabilitation techniques in order ultimately to be able to demonstrate and recommend suitable programmes for other hospitals in Yugoslavia. Practical rehabilitation problems will be investigated including (1) how the tuberculous patient can best be adjusted in the sheltered workshops which are planned to be attached to certain factories and (2) what are the best methods for providing home care for these patients.
2. University of Zagreb, Faculty of Arts, Institute of phonetics, Ulica Djure Salaja, Zagreb, Yugoslavia.	3	Case studies in the use of restricted bands of frequencies in auditory rehabilitation of deaf individuals. The Institute of Phonetics will conduct extensive investigations on a theory of hearing of Dr. Petar Guberina. This will involve studies of (1) The bands of frequencies, particularly discontinuous ones, that are associated with maximum intelligibility—speech recognition for deaf individuals, case by case, and the further application of these bands to auditory rehabilitation of deaf individuals; (2) the further influence of rhythm and intonation on the foregoing procedures. This research project will be coordinated with a similar project to be conducted at Ohio State University.
3. The Federal Rehabilitation Institute, Prosthetics and Orthotics Center, Sokobanjska, Belgrade.	3	Development and application of new rehabilitation methods and techniques in the fields of prosthetics and orthotics. Developments in the field of prosthetics and orthotics have been extremely limited in Yugoslavia. Further, the use and application of improved techniques and devices in this field is not widespread. This project will be carried out in the following areas: Solving of mediatechnical problems, new techniques of work, introduction of prefabricated materials, using of new material. The findings of this project are expected to bring about the improvements of surgical work and in prescription, fitting, and control of prosthetic and orthotic appliances.
4. The Institute for Mental Health, Belgrade.	5	An investigation of the rehabilitation potential of psychiatric patients and development of methods to use in the rehabilitation of these disabled people. Rehabilitation of the mentally ill in Yugoslavia is in its initial phase. This project will establish the basis for a permanent rehabilitation process for the ex-mental patient. The value of different methods of rehabilitation for particular groups of psychiatric disorders will be studied—neuroses, affective psychoses, schizophrenia, epilepsy, alcoholism, behavior disorders and the value of different types of rehabilitation methods will be determined for patients of different ages, educational and vocational levels, and family environment.

*1 year, phase I; 2 years, phase II.

SALARIES AND EXPENSES

Mr. FOGARTY. For salaries and expenses the appropriation for 1963 was \$2,486,000. The request for 1964 is \$2,905,000, an increase of \$419,000 and 21 positions.

PERSONNEL INCREASES

Will you supply for the record, a breakdown of all these positions, and a description of each?

Miss SWITZER. Yes.

(The information follows:)

New positions requested, fiscal year 1964

	Grade	Annual salary
State program operations:		
Extension and improvement specialist.....	GS-13.....	\$11,150
2 counseling and guidance advisers.....	GS-13.....	22,300
Program analyst ¹	GS-12.....	9,475
Secretary ¹	GS-5.....	4,565
Secretary.....	GS-5.....	4,565
Subtotal (6).....		52,055
Research and training:		
Assistant Chief of Division ¹	GS-14.....	12,845
3 Consultants in mental retardation.....	GS-14.....	38,535
2 Research analyst ¹	GS-14.....	25,690
Research analyst.....	GS-13.....	11,150
Training consultant.....	GS-13.....	11,150
2 secretaries.....	GS-5.....	9,130
Subtotal (10).....		108,500
Executive direction and program coordination:		
Medical consultant, severely disabled.....	GS-15.....	15,045
Medical consultant, psychiatry and special senses ¹	GS-14.....	13,695
Subtotal (2).....		28,740
Management services:		
Statistician ¹	GS-12.....	9,475
Assistant Chief of Branch.....	GS-9.....	6,675
Mail and file clerk.....	GS-5.....	4,565
Subtotal (3).....		20,715
Total new positions, all activities (21).....		210,010

¹ These 7 positions were abolished in 1963 to absorb part of the pay increase.

REDUCTION IN REQUEST

Mr. FOGARTY. Your request was cut again by the Department—your request for “Salaries and expenses.”

Miss SWITZER. Yes. I do not know why we never can get across our needs.

Mr. FOGARTY. This is quite a cut.

Miss SWITZER. We were cut very, very radically. We always are. We always have been.

Mr. FOGARTY. I thought you were doing pretty well up until the last two or three items here.

Miss SWITZER. Well, this has always been a hard one. Mr. Kelly, perhaps you should explain this.

Mr. KELLY. I recall some years—

Mr. FOGARTY. Mr. Kelly or the Secretary?

Miss SWITZER. I would not want to commit myself on that one.

Mr. KELLY. I recall some years ago, I accompanied Mr. Foley, who was then Administrator of Housing and Home Agency before Mr. Thomas' committee. Mr. Thomas said that Mr. Foley was the greatest administrator he had ever come across with any agency in Washington. He obviously did not need an increase if he was that good.

Miss SWITZER. Are you comparing me with Mr. Foley?

Mr. FOGARTY. This is a very severe cut.

Miss SWITZER. Yes, it is.

Mr. KELLY. The Secretary did restrict in many case the staff increases to an increase not to exceed 15 percent; and applied this policy to the Vocational Rehabilitation Administration.

Mr. FOGARTY. Is that good business?

Mr. KELLY. Well, there is a question of how rapidly an organization can recruit and absorb people effectively. I don't think that you can—

Miss SWITZER. We never had a chance to meet our saturation point.

Mr. KELLY. I don't think you can uniformly say what an organization can do; it depends on what the urgency of the problem is. But it was the best judgment of the Secretary that this was the level that he was willing to recommend, given the signals under which he was to put together the budget.

Mr. FOGARTY. How are you going to get along?

Miss SWITZER. I don't know. We are struggling now.

Mr. KELLY. This is a cut that provides a 21-position increase.

Miss SWITZER. Well, it isn't a net increase because seven of those positions are put in because of the absorption of Pay Act costs. The increase we got last year was cut back by 7 positions and so this is really a net of 14.

Mr. FOGARTY. Do you think you can make it?

Miss SWITZER. Well, it will shorten our lives but I suppose it is better to live a full life and a busy one, than a leisurely one.

EFFECT OF PAY COST ABSORPTION

Mr. FOGARTY. I don't see anything in your justification regarding your supplemental request for Pay Act costs.

Miss SWITZER. We didn't have any supplemental.

Mr. FOGARTY. Does that mean we appropriated too much last year?

Miss SWITZER. No. That means that it was taken out of our appropriation. The nightwork made up for it.

Mr. FOGARTY. This committee doesn't believe in nightwork, you know.

Miss SWITZER. Well, we just weren't able to fill seven positions, and we also had lapses in the positions we were able to fill. We were part of the Department team, and we were told what we had to absorb. There was no other way to do it.

Mr. FOGARTY. What do you mean "absorbed"? You mean a cut in the program, don't you?

Miss SWITZER. Yes, that's right.

We have been operating on a very skeleton staff in almost every one of our divisions for several years.

Mr. FOGARTY. This Department is not doing anywhere near as much for you as I thought it was.

How much in Pay Act costs were you required to absorb?

Mr. KELLY. \$100,000.

Mr. FOGARTY. \$100,000? And that all came out of "Salaries and expenses"?

Miss SWITZER. All of it.

Mr. KELLY. That is the only appropriation in which there are people.

Miss SWITZER. Yes.

Mr. FOGARTY. That is a sizable amount of money.

Miss SWITZER. I thought so.

Mr. FOGARTY. The Department of Labor did not absorb any Pay Act costs.

Miss SWITZER. Well, we had instructions. Mr. Kelly undoubtedly knows what discretion there was, if any.

Mr. FOGARTY. What other such costs were you required to absorb?

Miss SWITZER. I don't think there were any others.

Mr. KELLY. When I gave you the \$100,000 figure, it included related costs, such as the postal increase.

Mr. FOGARTY. Did you just give in?

Miss SWITZER. No. We did not just give in. We yelled loud and hard.

Mr. KELLY. They have not even stopped.

Mr. FOGARTY. I didn't think you would quit.

Miss SWITZER. No. I am still screaming about it.

Mr. FOGARTY. Well, good for you. I am on your side.

At the same time you were required to absorb these costs, the same people were approving a rather substantial increase for 1964.

Miss SWITZER. That's right.

Mr. FOGARTY. It looks like one of these on again, off again attitudes that we talked about last year, Mr. Kelly, doesn't it? Along the same line?

Mr. KELLY. The 3-percent reduction in staff was made largely because of congressional direction with respect to the pay increases.

Mr. FOGARTY. Well, why did the Department of Labor say no?

Mr. KELLY. You will have to ask the Department of Labor.

Mr. FOGARTY. We did. We asked the same question of the Department of Labor that we asked your Department, and the answer was they didn't absorb any Pay Act costs.

Miss SWITZER. I don't know how they would get away with that.

Mr. KELLY. I don't know. I know the President asked each department to endeavor to assist in this effort, and the pay bill itself included a direction with respect to absorption. The Secretary of Health, Education, and Welfare was responsive to these directions.

Mr. FOGARTY. I know, but people don't get the true picture until we ask all these questions.

They made this agency absorb \$100,000 in 1963, and cut them back \$500,000 in 1964 in their request. We will never reach that goal of 200,000 rehabilitated per year this way.

MISS SWITZER. We have struggled hard.
MR. FOGARTY. Mr. Denton?

BUDGETING FOR REHABILITATION OF WELFARE RECIPIENTS

MR. DENTON. Mr. Kelly, will you tell me where in the budget the \$17 million that was spent for rehabilitation of people on welfare is found?

MR. KELLY. Yes, sir; and let me discuss this further. I will try and make it as short as I can.

The Secretary in his statement referred to the fact that there had been a group of people on the public assistance rolls, that they were drawing a compensation at a rate of \$18 million a year, and through the expenditure of \$18 million—both State and local funds—under the vocational rehabilitation program, it was possible to get those people off the rolls and get them in—

MR. DENTON. Right there, my understanding was \$17 million, but maybe you are right. It was \$18 million.

MR. HUNT. \$18 million in the budget.

MISS SWITZER. It was \$17 million last year, I think.

MR. DENTON. But where in the budget is the \$18 million that was spent to rehabilitate these people?

MR. KELLY. Well, the Federal portion of the \$18 million would be largely under "Grants to States for vocational rehabilitation." A smaller part of it would be under "Extension and improvement grants" and under the demonstration projects.

MISS SWITZER. Not under the demonstration projects.

MR. KELLY. None of it was under "Demonstration projects".

MR. DENTON. Now, how much was the appropriation increased for that rehabilitation service last year? Was it \$18 million?

MR. KELLY. No, sir. The \$18 million was not all an increase. As a matter of fact, the \$18 million was spent in 1962, was it not? It was in the fiscal year 1962, and in the preceding year, in fiscal year 1961, we were spending money for this same purpose. Not as much; a portion of all increases for vocational rehabilitation goes for this purpose.

MR. DENTON. You always had a program to rehabilitate these people.

MR. KELLY. That is correct, sir.

MR. DENTON. What have you done different through this welfare program than you did before?

MR. KELLY. That is not related to this \$18 million. This is a different problem. That is, the Welfare Amendments of 1962 authorized the States to do two things which they heretofore could not do:

(1) They authorized matching services on a basis of 75-25, rather than matching 50-50 for administration, which had heretofore been the practice; and

(2) They recognized costs associated with the purchase of services outside of the single State agency in a way which they have not heretofore recognized.

Now, we are unable to give you at this time a report on how many States have done what with respect to this new provision of the act. We will not know that for a while, and in the first year, it will be very limited.

CALCULATION OF SAVINGS FROM REHABILITATION OF WELFARE CASES

Mr. DENTON. And how did you get this figure of \$18 million that was saved?

Mr. KELLY. The \$18 million doesn't relate to the new 1962 amendments, but rather relates to the ongoing program in vocational rehabilitation. Part of the people that they rehabilitate are people that are on the assistance rolls and they keep a statistical record of this and this was the record in 1962.

Mr. DENTON. When did you make this determination of \$18 million?

Mr. KELLY. In an analysis of the 1962 records of the Vocational Rehabilitation Administration.

Mr. DENTON. When?

Mr. KELLY. This past summer that they were able to give us the report.

Mr. DENTON. You had them last summer.

Miss SWITZER. This is an annual figure.

Mr. KELLY. We used it as a highlight on the Secretary's statement.

Mr. DENTON. Why didn't you take that \$18 million off the money paid for welfare benefits?

What I am trying to get at—you gave us this chart that showed us how much is budgeted for welfare, and grants to States was \$2,950 million.

Now, of course, that figure was submitted to you along about last spring and it got to your department last summer. It was \$2,950 million and you found out that you saved \$18 million.

Why didn't you take that sum of \$18 million off of the later figure \$2,950 million?

Mr. KELLY. The fact of the matter is, Mr. Denton, that that figure didn't come to us last summer.

That figure is as recent as the middle of December.

Mr. DENTON. Which figure?

Mr. KELLY. The \$2,950 million for grants to public assistance. Because the agency modified the estimate to us up to as late as the middle of December. This table that we have presented to you represents the most recent estimate that the agency submitted to us and our action on it.

Mr. DENTON. This isn't the original figure that welfare submitted to you?

Mr. KELLY. No, you would have—you would have to go back and reconstruct the figure that we got last summer and it would be a considerably different figure.

Mr. DENTON. You show here in your justifications about the research and that the next largest increase is for 28 projects which totals \$1,200,000. Is that the program which encompasses the rehabilitation of public assistance recipients?

You only say \$1,200,000 there.

Mr. KELLY. This figure is for the conduct of new research projects to find better ways to more effectively rehabilitate people that are on the assistance rolls.

Mr. DENTON. It seems to me I am asking you something so simple. If you could just tell me one thing that I want to know. Where in the budget is the money that is paid for this rehabilitation which enables the saving of \$18 million in payment of welfare benefits?

Mr. KELLY. We can give you a breakdown.

Mr. FOGARTY. He is trying to get a direct answer to a direct question. I assume that as we have been making grants to States for the rehabilitation program, that over the last 2 or 3 years it has developed that a certain number of these people who have been rehabilitated were taken off relief rolls. And then because of the new welfare bill last year you have in your justifications this year 22 new projects to stimulate more interest in this particular area.

Miss SWITZER. Yes.

Mr. FOGARTY. It is a result of the entire grants to States program; isn't that right?

Miss SWITZER. From the section 2 funds and plus the State funds.

Mr. DENTON. How successful is this program in rehabilitating people on welfare? That is what I am trying to find out.

Mr. KELLY. In 1962 it was successful to the extent that it made an investment of \$18 million that resulted in a savings of \$18 million.

WELFARE REHABILITANTS BY STATES

Mr. DENTON. But I want to get a little more specific information. Show me where the money was spent for it and where the cases were that made up that \$18 million.

Mr. KELLY. For that I think we have to give you an insert in the record. But we can give you a breakdown by State and the number of cases.

(The information requested follows:)

Federal and State costs to rehabilitate persons receiving public support, fiscal year 1962

State	Number rehabili- tated	Cost	State	Number rehabili- tated	Cost
Total.....	17,821	\$18,196,081	Missouri.....	522	\$525,338
Alabama.....	384	409,344	Montana.....	92	106,386
Alaska.....	65	132,648	Nebraska.....	129	104,525
Arizona.....	334	341,014	Nevada.....	31	40,587
Arkansas.....	343	1,195,143	New Hampshire.....	28	37,308
California.....	420	370,860	New Jersey.....	229	262,266
Colorado.....	184	142,508	New Mexico.....	84	111,244
Connecticut.....	192	101,048	New York.....	1,030	1,353,710
Delaware.....	266	128,478	North Carolina.....	813	573,153
District of Columbia.....	822	756,351	North Dakota.....	67	96,748
Florida.....	748	592,416	Ohio.....	521	580,173
Georgia.....	65	90,870	Oklahoma.....	462	507,738
Guam.....	76	73,022	Oregon.....	162	249,075
Hawaii.....	1,060	1,163,880	Pennsylvania.....	1,346	1,394,056
Idaho.....	117	79,783	Puerto Rico.....	164	194,832
Illinois.....	301	385,448	Rhode Island.....	149	119,868
Indiana.....	212	248,039	South Carolina.....	342	274,743
Iowa.....	402	235,974	South Dakota.....	56	86,302
Kansas.....	351	441,411	Tennessee.....	384	387,012
Kentucky.....	130	161,154	Texas.....	664	604,450
Louisiana.....	339	252,216	Utah.....	104	74,672
Maine.....	238	353,065	Vermont.....	84	119,669
Maryland.....	607	486,200	Virginia.....	372	240,789
Massachusetts.....	235	326,645	Virgin Islands.....	7	8,127
Michigan.....	400	427,986	Washington.....	382	520,580
Minnesota.....			West Virginia.....	685	337,705
Mississippi.....			Wisconsin.....	393	352,422
			Wyoming.....	25	37,100

Miss SWITZER. And we could give you some examples of type of cases.

THE 1962 SOCIAL SECURITY AMENDMENTS

Mr. DENTON. Are there new cases that you wouldn't have gotten before the 1962 amendment to the Welfare Act or where rehabilitation wouldn't have gotten to them before the passage of that act or amendments?

Mr. KELLY. They would have received services without the amendment.

Mr. HUNT. The amendments haven't been operative.

Mr. DENTON. Why put that figure in of saving \$18 million because of these amendments when they weren't even operative?

Mr. KELLY. We didn't mean to indicate that the amendments had given rise to that saving.

Mr. DENTON. Have you done anything different on rehabilitation than you did before?

Mr. KELLY. We are in the process of working with the States to make it possible to use public assistance funds——

Mr. DENTON. That isn't what I asked you, Mr. Kelly.

Could you tell me, please, and I am asking you a very simple question, what have you done different last year than you had done heretofore?

Mr. KELLY. Last year we did nothing different; but we did more of it.

Mr. DENTON. That \$18 million wasn't anything that is reflected in the new law, was it?

Mr. KELLY. No, sir.

Mr. DENTON. And was nothing different than you had ever done before?

Mr. KELLY. That's right, it is just more of it.

Mr. DENTON. Then why did you put it in that statement anyhow?

Mr. KELLY. Well, we did not mean to put it in the statement to reflect the result of the 1962 amendments. We were giving you highlights of our accomplishments last year.

Mr. DENTON. How much more are you asking for rehabilitation than you had before, for welfare cases?

Mr. KELLY. We are asking for nothing in this budget because of the 1962 amendments. What we are asking for is an increase for additional rehabilitations and a proportion of the increase will be used for public assistance cases.

Mr. DENTON. How much of the increase you are going to ask and use is due to the 1962 amendments?

Mr. KELLY. There is no money in this budget due to the 1962 amendments.

Mr. DENTON. Did the 1962 amendments amount to anything then?

Mr. KELLY. Yes, sir; I think they did.

Mr. DENTON. What did they amount to?

Mr. KELLY. The 1962 amendments did not affect this budget.

Mr. DENTON. Just what did the 1962 amendments do then?

Mr. KELLY. Over and above that which is being done by this budget, the 1962 amendments make it possible for the State and local welfare agencies to identify people who could profit from services and who are not now getting them. They further authorized State agencies to provide or purchase those services, and the Federal

Government will pay 75 percent of their cost, a cost which they heretofore would not have paid.

Mr. DENTON. You mean you are making contracts on the side?

Mr. KELLY. The State and local agencies are making contracts on the side; yes, sir.

Mr. DENTON. How much money is in this budget for that purpose?

Mr. KELLY. In the budget that is before you this afternoon, nothing.

In the budget for the Bureau of Family Services there is a sum of money.

Mr. DENTON. I don't want to get into the budget for welfare now.

We were told two things last year at great length. First, that times were bad and more money had to be expended in paying welfare benefits because of bad times and second, we were told we had a new program wherein we were going to rehabilitate people and take them off welfare.

I would like to find something in this budget that reflects either one of those things.

Mr. KELLY. This will show up when we take up the grants to States for public assistance.

Mr. DENTON. All right.

It doesn't come in this budget?

Mr. KELLY. No, sir.

Mr. FOGARTY. In justifying this appropriation, we have mentioned in past years, also, that many people have been taken off welfare rolls. I don't remember that figures this specific were given before, but it is one of the justifications for this program.

Miss SWITZER. That's right.

Mr. FOGARTY. This is just part of the program's accomplishments.

Mr. HUNT. Somewhere between 16 and 20 percent of all the cases rehabilitated by this program in a given year come from relief rolls.

Mr. FOGARTY. You don't know who they are until you get reports back?

Mr. HUNT. We calculated it by considering the assistance payments given and then supplied the figures Mr. Kelly used of \$18 million.

Mr. DENTON. I thought this \$18 million was something new and coming from some source we haven't had here before. I thought it was singled out and mentioned for that reason.

Mr. KELLY. If we misled you, it was unintentional, sir.

RELATIONSHIP TO SOCIAL SECURITY DISABILITY PROGRAM

Mr. DENTON. I would like to ask Miss Switzer one question.

Of course, it has always disturbed me that you are performing an investigative function under the disability provision of social security.

Now, that is a law that Congress passed and I know you have nothing to do but to carry out that direction.

I think the investigation should be made by the social security agency, and the total permanent disability case should be referred to rehabilitation as workmen's compensation cases are for that rehabilitation. I don't think it is necessary for rehabilitation to investigate these cases in order to do the work of rehabilitation when

investigation is so foreign to the work rehabilitation has been doing.

You haven't anything to do with starting this. It is the law.

Miss SWITZER. I will say this, Mr. Denton, just as evidence of an affirmative result of what you consider to be an undesirable situation.

I believe, if our State agencies had not had this responsibility, if the two of us, the Federal and State partnership had not had to concern itself very seriously with the problems of this group of very severely disabled people, I would be willing to bet that we wouldn't have even the small record of rehabilitation that we now have from this group. I believe that it is the closeness of the working relationship, the sense of responsibility that it generates that has made this record possible.

Mr. DENTON. I would be glad to take the bet, but I don't know how I would prove it.

The thought that I have is you ought to rehabilitate people and rehabilitate them as well as you could.

Miss SWITZER. I think there is a greater sense of responsibility for this group on the part of our State agencies because they have this other responsibility. This is only human.

Mr. DENTON. Anybody who settles claims is doing unpopular work just the same as anybody who administers welfare and your agency has had a very good name and been very popular and of course doing this work of settling claims is entirely foreign to what you formerly did.

And I think it detracts from the good work that you have done.

I think that's all.

Mr. FOGARTY. I am surprised you have done as well as you have with the help you had in some of the States.

Mr. DENTON. Off the record.

(Discussion off the record.)

Mr. FOGARTY. Is there anything else you would like to say?

Miss SWITZER. I hope you will look on us with your usual good favor and understanding and help us.

Mr. FOGARTY. You had better start educating this Department, as far as your "Salaries and expenses" appropriation is concerned.

Miss SWITZER. I will do my very best on that.

Mr. FOGARTY. I don't know how you are going to get along.

Miss SWITZER. I don't, either. But we will try. We thank you very much for your support.

Mr. FOGARTY. Thank you.

We will, as usual, place these special statements you have prepared for us, in the record.

(The statements referred to follow:)

MENTALLY RETARDED

MENTAL RETARDATION PROGRAM

Rehabilitation of the mentally retarded

On October 16, 1962, the President's Panel on Mental Retardation transmitted to the President the results of a year of deliberation and study culminating in their "National Plan To Combat Mental Retardation." A significant portion of this plan is concerned with the vocational rehabilitation of the youth and adult population who are categorized as mentally retarded.

Those who fall into the category of the mentally retarded represent a very sizable segment of our population whose absolute dimensions have never been delimited but who are estimated on the basis of psychological tests to constitute

virtually 3 percent of our total population or about 5½ million men, women, and children. To this number is added annually about 125,000 infants.

From the standpoint of the vocational rehabilitation program and the services it must render, the mentally retarded represent one of the very large disability groups which must be served. Furthermore, it is a problem that requires a great deal more time and study to provide the individual with the kind and degree of assistance he requires to provide for free and independent behavior or as near that goal as he can potentially fulfill.

This confronts the vocational rehabilitation administration with the task of selecting and serving all individuals who are mentally retarded, yet who give promise of ultimate ability to attain total or partial vocational independence. On the basis of existing information it appears that potentially 75 to 85 percent of the mentally retarded can profit from the services offered by vocational rehabilitation agencies. This has in the past and may well continue to be tempered further by the relatively large number, about 50 percent, of the mentally retarded who in spite of educational limitations are socially adaptable and as a result succeed in getting along without difficulty at home, at work, or in the community. These men and women, young and old alike, secure jobs and maintain themselves and their families without serious difficulty, except in periods of serious economic stress. Occasionally they require vocational training and rehabilitation later in life.

The principal immediate concern to the Federal-State program is the provision of services to a potential pool of retardates that are in the age group of 15 and over and who come from economically restricted households. This population group encompasses about 1 million retarded individuals, to which is added about 36,000 additional young men and women every year. Our task is to develop the Federal-State program to a point where such individuals can be assured of proper evaluation, training, job placement, adequately supervised leisure time, and opportunity to dwell in a home or near-home like environment during free time to insure the safety and the well-being of the retardate and the community.

No matter what the actual final count of the retarded may reveal, whether the number be more or less than of the 5.5 million estimated, we must be prepared and oriented to dealing with something close to 20 percent of the total number if vocational rehabilitation of the noninstitutionalized, trainable, and educable mentally retarded is to reach anywhere near optimal service levels.

Over and above these goals, research and demonstration programs now underway will help us to expand these services to still another category of retardate. The 125,000 or more who are institutionalized, who may, at least in part, be made productive workers though not in the competitive market, and who may reach a level where they can lead much more satisfying and socially constructive lives. While our efforts will be no less concerned with these individuals, the task is likely to be much larger in duration and the results less immediate.

Federal-State program

Estimated number of mentally retarded rehabilitated by the State vocational rehabilitation agencies in fiscal years 1955, 1959-64:

Persons rehabilitated

Fiscal year ending June 30	Total	Mentally retarded
1955.....	57,981	531
1959.....	80,739	2,016
1960.....	88,275	2,937
1961.....	92,501	3,562
1962.....	102,377	4,458
1963.....	110,400	5,400
1964.....	126,500	7,500

The number of mentally retarded rehabilitated by the State vocational rehabilitation agencies continues to increase. Although in 1955, about 1 percent of the total number of rehabilitants were mentally retarded, as compared with

4 percent in 1962, this represents an increase of over 700 percent in 1962 in the number of mentally retarded rehabilitations over 1955.

It is expected that 7,500 will be rehabilitated in 1964 at an estimated expenditure of about \$5,400,000 in Federal funds in addition to State funds. These totals compare with the estimated expenditure of about \$3,550,000 in Federal funds in 1963 for the rehabilitation of 5,400 mentally retarded, and about \$2,800,000 in 1962 for the rehabilitation of 4,458.

In view of the national attention being focused on the problem and the increased interest of the general public, many of the State agencies have stepped up their programs of services to this disability group. In addition to assigning more specialized trained staff to handle these cases, many of the agencies have invested substantial amounts in the establishment of rehabilitation facilities and workshops in other public and private institutions which primarily serve the mentally retarded. One such agency reported an increase of over 500 percent in its number of mentally retarded rehabilitations over a 5-year period as a direct result of such an investment. Another agency reported a 70-percent increase in 1962 over the previous fiscal year. During the 1962 fiscal year, 21 States reported that vocational rehabilitation services for physically and mentally handicapped youths have been worked out with public and private school programs in order to help bridge the gap from the school to employment. Many of these youths are mentally retarded.

Extension and improvement program

In 1962 there were nine extension and improvement projects to serve the mentally retarded. Over 15 percent of all the extension and improvement projects initiated since the beginning of this program in 1955 were specifically geared to serve this disability group. Where the activity was of continuing nature, it was usually absorbed under the regular vocational rehabilitation program after its expiration period.

Research and demonstration

The contribution of research and demonstration to the solution of vocational rehabilitation problems of the mentally retarded lies in five critical areas:

(1) *Vocational evaluation and training.*—This is a basic and complex area. It includes development of formal tests and operational methods for measuring psychological, social, and vocational capacities of individuals related to ability to benefit from services and to achieve vocational success. The entire range of vocational teaching and training methods, including the organization and procedures used in sheltered environments and other reality-based work trial programs, is included. Possibilities of using programmed teaching methods and audio-visual methods in rehabilitation programs are rapidly expanding lines of research and demonstration of considerable promise. Besides the immediately practical improvement of rehabilitation methods, the data and theories developed by projects in this area should also contribute to basic understanding of the psychological and social functioning of the retarded.

(2) *Selective placement, followup, and job maintenance.*—This is another fundamental area directly related to No. 1. The area includes research on methods of restructuring job situations to stabilize the range of functions within the retardate's capacities and to provide supportive relations in the job situation and by organized followup from community sources.

(3) *Identification of family and social factors in rehabilitation.*—Previous research and clinical observation have produced general evidence that the motivation of the retardate for maximum use of his vocational and social capacities is profoundly related to his family training, parental expectations, and his relation to "critical" supportive figures. This process begins very early in the retardate's life and continues, at a minimum, for much longer than in normal cases. Little is known about the basic psychological structure of these relations, or which attitudes, relations, and activities within the family and immediate social environment are beneficial or destructive. This type of information has obvious implications for the entire rehabilitation process.

(4) *Coordination of rehabilitation and special education.*—The special nature and long duration required for an effective training process in retardation requires that special education and vocational rehabilitation be coordinated and simultaneous for those retardates in the general education system. This brings the preventive aspects of rehabilitation to bear on problems in individuals before school dropout takes place and at a time when the retardate usually has reached the limits of his capacity for academic work and can benefit from training in

social adjustment and vocational functioning. This area includes the design and testing of programs of vocational counseling and work experience introduced directly into special education programs, and structuring and evaluation of combined vocational services and special education.

(5) *Organization of services in the community.*—Continuity of a variety of community services is the essence of effective, permanent rehabilitation for many retardates. This requires deliberate organization of community resources and the construction of detailed blueprints for joint, complementary action. Organization therefore emerges as an independent factor for research, development, and demonstration. Research includes development and testing of model systems of service to determine optimum contributions of resources by special education, public assistance, vocational rehabilitation, public health, various private agencies, and the family of the retardate. No studies of actual service operations have yet been done on a scale which would indicate the scope and quality of service which would be professionally effective and economically supportable. Such studies will provide the community matrix for using the more detailed techniques developed under 1-4.

The goal of the Vocational Rehabilitation Administration in advancing its program of services to the mentally retarded is based upon development of research and demonstrations in all five of these areas to the end that retardates may attain optimal self-security and independent action.

Training program

Funds allocated to the field of mental retardation would provide for a national conference to develop priorities and specialized curriculums to be utilized in the proposed training program. Three regional centers would be established for the presentation of short-term courses for counselors, social workers, speech pathologists and audiologists, sheltered workshop personnel, and placement specialists in the vocational rehabilitation of the mentally retarded. Field instruction units and clinical facilities would be set up in hospitals and centers for the treatment of the mentally retarded by the fields of medicine, social work, rehabilitation counseling, physical therapy, occupational therapy, and psychology. Provision would also be made for research fellowships to be earmarked for mental retardation. The total amount for the training program would be about \$500,000.

Financial support for mental retardation

	Fiscal year—						
	1955	1959	1960	1961	1962	1963	1964
Number of rehabilitants.....	531	2, 016	2, 937	3 562	4, 458	5, 400	7, 500
Grants to States.....	\$230, 000	\$1, 200, 000	\$1, 798, 000	\$2, 266, 000	\$2, 800, 000	\$3, 550, 000	\$5, 400, 000
Research and demonstration projects.....	48, 700	530, 200	911, 800	993, 300	1, 085, 000	1, 100, 000	2, 735, 000
Training and traineeships.....		14, 600	32, 500	77, 900	89, 000	125, 000	500, 000
Salaries and expenses.....							47, 000
Total, Vocational Rehabilitation Administration.....	278, 700	1, 744, 800	2, 742, 300	3, 337, 200	3, 974, 000	4, 775, 000	8, 682, 000

MENTAL ILLNESS

Shortly after the release of the final report of the Joint Commission on Mental Illness and Health, "Action for Mental Health," the Commissioner of the Vocational Rehabilitation Administration requested the appointment of a task force composed of personnel within the Administration to develop a report on the Administration's proposed activities in the field of mental illness during the 1960's. This report was completed early in 1962. In February 1962 in his message to Congress on the health program the President called upon the Secretary of this report and other major Federal officials to review the Joint Commission's recommendations and to develop appropriate courses of action for the Federal Government. The VRA report is particularly pertinent to this change and fits well into the proposals and the emphasis urged by the Joint Commission.

Basic assumptions

This call for a major and intensive acceleration in rehabilitating the mentally ill over the rest of this decade is based on these basic assumptions:

1. Vocational rehabilitation—public and voluntary—is one of a community of programs that have important responsibilities in the Nation's total effort to provide care, treatment, and rehabilitation of the mentally ill. The State vocational rehabilitation agency has an important role here that is unique—as both a provider of service and a coordinator.

2. The task of developing, providing, and coordinating services to achieve the rehabilitation and job adjustment of the mentally ill, is a major concern and responsibility of this national program and its parts. This adjustment includes helping the mentally ill person to prepare for and to secure work, and helping him to continue in employment.

3. The responsibility of the nationwide vocational rehabilitation program to develop and to provide rehabilitation services for the mentally ill extends to:

(a) The inhospital patient and the posthospitalized patient who need rehabilitation services on the way to resuming status in the community, and

(b) The mentally ill person who is not, and has not been, hospitalized and who needs help in order to stay in the community, outside the hospital.

4. Such a major advance will grow along with the advance of two factors making the climate for growth more conducive: First, there will surely be significant progress in our knowledge about treating the mentally ill and in the kinds and quantity of services available for their total rehabilitation. Second, it is anticipated that there will be a notably rising level of money support for the public vocational rehabilitation program—from Federal and State as well as from local public and voluntary sources.

Progress in the rehabilitation of the mentally ill has come with the impetus provided under the 1954 legislation (Public Law 565).

This legislation authorized: (1) Increased financial support of vocational rehabilitation by the Federal Government and the States; (2) support for more and better rehabilitation facilities and workshops in which to provide services; (3) a training program to increase the supply of professional personnel who provide rehabilitation services; and (4) support of research studies and demonstration projects to discover and prove new methods and techniques to improve the quality of rehabilitation services.

Tables on page 3 reflect the inconsistent increase in numbers rehabilitated who are mentally ill—1959–64.

Mentally ill rehabilitants

Fiscal year	Number	Amount
1959.....	3,663	\$2,100,000
1960:		
Severe.....	4,453	2,500,000
Less severe.....	1,250	700,000
Total.....	5,703	3,200,000
1961:		
Severe.....	5,089	3,000,000
Less severe.....	1,812	1,050,000
Total.....	6,901	4,050,000
1962:		
Severe.....	6,530	4,100,000
Less severe.....	2,324	1,450,000
Total.....	8,854	5,550,000
1963:		
Severe.....	8,500	5,600,000
Less severe.....	3,026	2,000,000
Total.....	11,526	7,600,000
1964:		
Severe.....	11,500	8,200,000
Less severe.....	4,094	2,950,000
Total.....	15,594	11,150,000

BASIC PROGRAM

Some State agencies have developed substantial programs of services for the mentally ill under their regular basic services programs, with financing under section 2 of the Vocational Rehabilitation Act. Some of these agencies were already moving forward at a satisfactory rate of increase. Some have been unable, because of limited State appropriations, to take advantage of project opportunities under the new legislation, mainly extension and improvement project grants.

A new type of project grant introduced by Public Law 565 provided an incentive to State agencies to undertake projects to improve and extend rehabilitation services. These projects, with Federal matching up to 75 percent, have a maximum duration of 3 years, at the end of which it is expected that the activity will be absorbed into the State's ongoing program. From 1959 until the present 41 such projects have been undertaken.

A majority of the State agencies are assigning counselors to State mental hospitals. Leading the way, some State agencies have moved to set up rehabilitation units within State mental hospitals. Others have taken steps to build a plan for a major program emphasis in this phase of rehabilitation, including staff specialists in psychiatric rehabilitation. One State, with a strong emphasis on rehabilitating the mentally ill, pioneered in operating halfway houses financed under sections 2 and 3 of the Vocational Rehabilitation Act, which then became the model for a series of demonstration projects.

Training

The greatest single obstacle to providing rehabilitation services to more disabled persons is the acute shortage of trained personnel—psychiatrists, nurses, occupational, physical, and speech therapists, counselors, social workers, psychologists and those in other professions involved in the provision of effective rehabilitation services.

With the passage of Public Law 565, the Vocational Rehabilitation Administration made plans to do something about the immediate need for a greatly accelerated and broadened program of short-term training of personnel concerned with psychiatric rehabilitation. There was particular emphasis on better channels of communication between the hospital and the State vocational rehabilitation agency.

A series of regional workshops—supported by VRA—was undertaken, designed to bring together not only staff from the vocational rehabilitation agencies but State hospital and mental health personnel.

The results of these workshops have been most encouraging. Hospitals which heretofore had indicated little interest in a program of vocational rehabilitation have now requested assistance from the vocational rehabilitation agency. Referrals have increased consistently and cases have been more carefully evaluated prior to referral. Similar workshops have been held in individual States.

Most of the extension and improvement projects carrying State agency services into the hospitals have been a direct outgrowth of these workshops, and a major portion of the research and demonstration projects in the field of mental health originated from discussions taking place on these occasions.

In addition to these workshops, lasting 3 or 4 days, grants have been made to universities and institutions for 3- or 4-week training courses on a national level for rehabilitation personnel working with the psychiatrically disabled.

It is anticipated that short-term training will be increased considerably in 1964.

The need for more substantial and intensive training for counselors working with the mentally ill, especially those in hospitals, has become increasingly evident. As programs for vocational rehabilitation in hospitals have expanded, the selection of suitable personnel has become more critical.

In an effort to resolve this problem, the Vocational Rehabilitation Administration during fiscal year 1963 developed a program of internships of 6 months duration for vocational rehabilitation counselors in selected hospitals affiliated with medical schools. Teaching and traineeship grants have been made to the schools. Appropriate faculty together with professional staff of the hospital developed a suitable curriculum, both academic and clinical.

It is important to recognize in this context that VRA is currently contributing to the supply of skilled manpower in psychiatric rehabilitation, through grants for basic professional training in psychology, social work, rehabilitation counsel-

ing, occupational therapy, and rehabilitation nursing. See appendix 2 for training programs 1959-64.

Research

In the period 1959-64 Federal grants for research and demonstration have been awarded to 60 projects concerned with rehabilitation of the mentally ill. See appendix 3, 1964, estimated.

Some of the most imaginative and creative work in rehabilitation today is being carried on under this program. These projects cover a variety of rehabilitation activities and many different categories of disability.

These projects for the mentally ill have dealt with establishing, developing community use, and improving the therapeutic and vocational rehabilitation techniques of (a) the rehabilitation-oriented therapeutic community hospital, (b) the day hospital, (c) the halfway house, (d) work therapy in the hospital and in related workshop facilities, (e) screening of hospital cases for rehabilitation potential, (f) outpatient counseling and rehabilitation aftercare, (g) evaluation, work training, and intensive placement for emotionally disturbed persons. In two of these areas a series of demonstration projects patterned on a model project has been developed—the halfway house and the evaluation, work training, and intensive placement for the emotionally disturbed person.

Several published final reports of VRA-supported research projects are now available. These reports, listed in appendix 4 include projects on (a) the functions of a comprehensive vocational evaluation and preparatory program in a private psychiatric hospital, (b) the nature of the program in a fully rehabilitated-oriented State psychiatric hospital, and (c) the functions of the day hospital as part of a comprehensive psychiatric program.

FUTURE ACTION

In order to build up a number of counselors and supervisors who can assume leadership roles in the vocational rehabilitation of the mentally ill within the State agencies, the internship training program should be expanded substantially over the next several years.

VRA will devote substantially higher proportions of its total training appropriation each year to short-term training in psychiatric rehabilitation.

Halfway houses of different kinds for posthospital and for preventive care will be supported by VRA as a major emphasis. Support should be extended through all the means available under the Vocational Rehabilitation Act, including research, demonstration and training grants, extension and improvement grants, expansion-type grants for preparing, planning or initiating program expansion, and the basic support program funds under section 2 of the act.

At least 10 to 15 halfway houses should be supported under research and demonstration grants in each of the next 3 years. Support under extension and improvement grants should be given to a comparable number of project efforts.

Halfway houses with expanded and coordinated services should be established. This kind of house would add to the usual residential facilities a systematically planned and unified program of vocational training, psychiatric consultation, casework service, and therapeutic group activities, in a community setting.

VRA will place an equally major emphasis on the support of in-hospital rehabilitation units. The primary objective here should be the establishment of such units, mainly by the State vocational rehabilitation agencies, for initial periods, on the assumption that the provision of these services will ultimately be absorbed as part of the hospital's on-going program.

VRA will encourage and support rehabilitation facilities, e.g., rehabilitation centers, workshops, including personal and work adjustment workshops and specialized facilities, in their efforts to serve increasing numbers of the mentally ill, especially with tie-ins to hospitals and mental health clinics.

VRA will encourage and support research, and the dissemination and the application of research findings in these priority areas.

(a) Experimentation with and evaluation of various types of (1) in-hospital rehabilitation arrangements, (2) day and night hospitals, (3) halfway houses, (4) day care and social centers, (5) work adjustment facilities and sheltered workshops and (6) rehabilitation centers.

(b) Study of relationships among the various agencies serving the mentally ill such as the hospital, the halfway house, the State vocational rehabilitation and other public and voluntary agencies, the community, and the role of the mentally ill individual's family.

(c) Experimentation with and evaluation of factors in the success of continued counseling of the mentally ill after they leave the hospital or transitional facilities.

(d) Trial and study of the kinds of jobs and work situations that give the mentally ill the support and motivation needed to sustain rehabilitation.

APPENDIX I

List of extension and improvement projects serving the mentally and emotionally ill during fiscal years 1959-64

State	Project	Fiscal year	Federal grant
Arizona-----	Counselor for the mentally and emotionally ill at the southern (Phoenix) district office.	1959 1960 1961	\$3,206 3,750 3,150
Arkansas-----	Establishment of a rehabilitation center for the mentally ill at the State hospital in Little Rock.	1959 1960	15,076 14,805
California-----	Services to mental hospital patients (assignment of counselors and clerical staff in 6 of the largest hospitals in the State).	1962 1963 1964	128,537 133,087 201,603
Colorado-----	Denver mental project (improvement of services to the mentally ill; referrals made by Colorado State Hospital).	1959	9,029
	Improvement of services to the mentally ill by employment of consultants and establishment of new district office to serve only the mentally ill.	1960 1961 1962	14,343 14,253 14,256
	Extension of services to hospitalized mental patients through the assignment of specialized staff and the establishment of a transitional facility for female patients.	1963 1964	15,000 47,474
Connecticut-----	Extension and improvement of services to the mentally ill in their home communities by the assignment of specialized counselor.	1963	16,973
Delaware-----	Improved services to special disability groups including the mentally retarded, mentally ill, homebound, and the severely disabled.	1960 1961	5,000 5,000
	Inhospital training program for the mentally ill (Delaware State Hospital).	1962 1963	5,000 15,000
Florida-----	Consultative and liaison services to mentally ill and tuberculous patients in State institutions.	1963	9,397
Iowa-----	An organized plan for extending and improving vocational rehabilitation services provided individuals handicapped as a result of mental illness.	1960 1961 1962	12,648 17,869 17,064
Kentucky-----	Improvement of vocational rehabilitation services to the mentally disabled in cooperation with the Kentucky Department of Health.	1959 1960	12,090 14,539
Maine-----	Extension of vocational rehabilitation services of the emotionally ill by assignment of a counselor in Augusta.	1959 1960	8,041 7,981
Massachusetts-----	Services to emotionally disabled through the establishment of training programs for selected patients of State mental hospitals.	1959	10,743
	Establishment of a unit to promote the rehabilitation of the mentally or emotionally disabled.	1962 1963	33,522 33,986
Michigan-----	Program for young adults in cooperation with the Oakland County public schools to provide diagnostic, counseling, and limited training services to handicapped upper class students in preparation toward employability.	1959 1960 1961 1962	11,294 11,422 11,790 23,033
	Special project for the mentally ill as well as the mentally retarded by providing special administrative and consultative services at the State level for training and placement.	1960	11,790
Minnesota-----	Establishment of community center project for rehabilitation of mental hospital patients sponsored by Greater Minneapolis Council of Church Women.	1959 1960	4,056 5,020
Missouri-----	Services to special disability group including emotionally handicapped through use of facilities at Rehabilitation Institute in Kansas City.	1959 1960	9,000 9,000
	Supervisor of services to the mentally ill and mentally retarded.	1960 1961 1962 1961 1962	6,792 9,745 10,063 9,695 7,673
	Assignment of counselor for physically and mentally handicapped children in the Special School District, St. Louis County.	1960 1961 1962	6,215 6,215 6,025
New Jersey-----	Extension and improvement of services to the mentally ill clients in Hudson County (assignment of a counselor).	1959 1960 1959	4,159 6,215 2,025
	Evanoff Memorial Center, Vineland (establishment of facility to serve mentally retarded and multiple disabilities).	1960 1961 1962	3,218 6,601 7,223
	A project for extension and improvement of services to hospitalized mental patients (assignment of counselor at Trenton State Hospital).	1960 1961 1962	1,889 6,601 7,223
	Extension and improvement of services of the Occupational Center of Union County, Inc. (serves the cerebral palsied, mentally ill, and mentally retarded).	1960	1,889
	Extension and improvement of services to mental patients at Marlboro State Hospital (assignment of a counselor).	1963	6,187

List of extension and improvement projects serving the mentally and emotionally ill during fiscal years 1959-64—Continued

State	Project	Fiscal year	Federal grant
New Mexico.....	Rehabilitation of the mentally ill (assignment of counselor at the New Mexico State Hospital).	1960 1961 1962	7,059 7,245 7,245
New York.....	Skills Unlimited, Inc., of East Islip (provides on-the-job training and sheltered employment—serves mentally ill and mentally retarded).	1959 1960 1961	11,704 7,684 9,691
North Dakota.....	Assignment of counselor at State mental hospital.....	1959 1960 1961	5,491 5,449 5,148
Ohio.....	Toledo State Hospital (assignment of counselor to serve the mentally ill). Columbus State Hospital (assignment of counselor to serve the mentally ill). Cleveland State Hospital (assignment of counselor to serve the mentally ill).	1959 1960 1959 1960 1959 1960	4,590 5,837 5,127 6,250 5,139 5,817
Oklahoma.....	Development of rehabilitation services for patients of 2 mental hospitals (assignment of counselor at Eastern Oklahoma Hospital, Vinita; and 1 at Western Oklahoma Hospital, Fort Supply).	1959 1960	19,416 19,156
Oregon.....	Counselor assigned to the Oregon State Hospital, Salem (to serve the mentally ill).	1959	9,814
South Dakota.....	Statewide supervision of rehabilitation services to the mentally handicapped.	1961 1962 1963	4,451 4,425 7,500
Utah.....	Rehabilitation services to mental cases at the State mental hospital in Provo and the mentally retarded from the American Fork Training School (by assignment of a counselor).	1959	7,256
Vermont.....	Psychiatric consultation for blind clients ¹ .	1961 1962	193 500
Washington.....	Improvement of services for the mentally ill patients at the Western State Hospital (by assignment of a counselor).	1959 1960 1961 1962	15,160 23,160 23,160 5,830
West Virginia.....	Establishment of rehabilitation units at Weston, Spencer, and Lakin State Hospitals.	1962	1,058
Wisconsin.....	Expansion of rehabilitation unit at Huntington State Hospital. Employment adjustment center for emotionally ill in cooperation with Jewish Vocational Service.	1962 1959 1960	22,500 22,500 22,500

¹ Denotes sponsorship by the agency for the blind.

APPENDIX II

Training grants in the field of rehabilitation of the mentally ill

FISCAL YEAR 1959

Sponsor	State	Amount
Boston University.....	Massachusetts.....	\$2,798
Fountain House.....	New York.....	8,968
Richmond Professional Institute.....	Virginia.....	3,036
Total.....		14,802

FISCAL YEAR 1960

Boston University.....	Massachusetts.....	\$7,441
University of Colorado.....	Colorado.....	2,971
Fountain House.....	New York.....	7,236
University of Nebraska.....	Nebraska.....	3,385
Richmond Professional Institute.....	Virginia.....	3,454
University of Utah.....	Utah.....	5,268
University of Wisconsin.....	Wisconsin.....	11,118
Total.....		40,873

Training grants in the field of rehabilitation of the mentally ill—Continued

FISCAL YEAR 1961

Sponsor	State	Amount
American Occupational Therapy Association.....	New York.....	¹ \$12,000
University of Pennsylvania School of Occupational Therapy.....	Pennsylvania.....	8,129
Boston University.....	Massachusetts.....	4,661
Arkansas State Hospital.....	Arkansas.....	2,495
University of South Carolina.....	South Carolina.....	4,264
Total.....		31,903

FISCAL YEAR 1962

Marshall University.....	Virginia.....	\$3,741
Altro Health and Rehabilitation Services, Inc.....	New York.....	16,739
National Association for Mental Health, Inc.....	do.....	2,373
Total.....		22,853

¹ Provides for a psychiatric occupational therapy consultant on rehabilitation to schools of occupational therapy and clinical affiliations.

FISCAL YEAR 1963

University of Hawaii.....	Hawaii.....	\$3,360
Trinity University.....	Texas.....	6,140
Additional pending in regional planning.....		22,000
Counselor internship training courses:		
Harvard Medical School, Mass., Mental Health Center.....	Boston.....	
Nebraska College of Medicine, Nebraska Psychiatric Institute.....	Omaha.....	
University of Oregon Medical School, University of Oregon Department of Psychiatry.....	Portland.....	210,000
Total.....		241,500

FISCAL YEAR 1964

	<i>Amount</i>
Estimated, both short-term and internship.....	{ \$375,000
	{ 50,000
Total.....	425,000

APPENDIX III

Research and demonstration projects in mental illness, 1959-64

Grantee	Fiscal year	Federal grant
Massachusetts Mental Health Center, Boston, Mass.: To determine the effectiveness of coordinated efforts of hospitals, ex-patients, patient groups, and community agencies in the vocational rehabilitation of the mentally ill. Project No. 55.	1959	¹ \$50,366
	1960	57,333
Rehabilitation Planning Committee, Santa Clara, Calif.: To demonstrate the effectiveness of an employer sponsored and professionally supervised half-way house as a means of helping patients discharged from mental hospitals to return to employment. Project No. 122.	1959	¹ 21,150
Rehabilitation Center of Greater St. Louis, St. Louis, Mo.: To investigate the practicability of integrating neuropsychiatric patients with physical disability patients in a rehabilitation center. Project No. 142.	1960	¹ 21,313
State Program Committee, Salem, Oreg.: To demonstrate the effect of the vocational rehabilitation of mental hospital patients of a coordinated program of services by the State health, welfare, mental health hospital and vocational rehabilitation agencies. Project No. 153.	1959	¹ 82,857
	1960	81,452
Research Foundation for Mental Hygiene, New York, N.Y.: To investigate the course of vocational and socioeconomic adjustment of mental patients newly released from the hospital and to develop measures to prevent recurrent psychotic breakdown. Project No. 176.	1959	¹ 21,670
Butler Health Center, Providence, R.I.: To evaluate the effectiveness of a rehabilitation program combining physical and psychiatric treatment at the same community health center. Project No. 182.	1959	¹ 39,415
Johns Hopkins University, Baltimore, Md.: To study the effectiveness of 3 methods of treatment in the vocational rehabilitation of the chronically ill psychiatric outpatient. Project No. 155.	1959	¹ 21,919

See footnotes at end of table, p. 700.

Research and demonstration projects in mental illness, 1959-64—Continued

Grantee	Fiscal year	Federal grant
Vermont State Hospital, Waterbury, Vt.: To investigate methods for the vocational rehabilitation of selected chronic schizophrenics and to demonstrate the possibilities of their return to the community as self-supporting individuals. Project No. 180.	1959 1960	¹ \$30,000 31,310
The Rehabilitation Institute, Kansas City, Mo.: Work adjustment centers for disabled persons with emotional problems. Project No. 200.	1959 1960 1961	1 31,620 34,520 22,275
Indianapolis Goodwill Industries, Indianapolis, Ind.: Work adjustment centers for disabled persons with emotional problems. Project No. 275.	1959 1960 1961	18,700 13,000 21,568
Georgia Division of Vocational Rehabilitation, Atlanta, Ga.: To demonstrate the effectiveness of early vocational evaluation and provision of vocational rehabilitation services in the treatment of persons admitted to psychiatric screening centers of general hospitals. Project No. 297.	1960 1961 1962	22,153 30,000
Jewish Vocational Service, Cincinnati, Ohio: Work adjustment centers for disabled persons with emotional problems. Project No. 306.	1959 1960 1961	1 27,670 35,955
Opportunity Center, Inc., Wilmington, Del.: Work adjustment centers for disabled persons with emotional problems. Project No. 313.	1962 1963 1960 1961 1962	23,575 20,000 15,276 15,050 13,930
Jewish Vocational Service of Essex County, Newark, N.J.: To study the effectiveness of workshop experience in the vocational adjustment of schizophrenic patients recently released from a mental hospital. Project No. 334.	1959 1960 1961 1962	30,050 30,800 32,027 32,132
Jewish Employment and Vocational Service, Philadelphia, Pa.: Work adjustment centers for disabled persons with emotional problems. Project No. 355.	1959 1960 1961	39,115 41,350 55,000
Columbia University, New York, N.Y.: To conduct a conference of investigators engaged in VRA and NIMH research and demonstration projects in the field of mental illness to advance research methods and develop additional research opportunities. Project No. 424.	1959	5,566
World Federation for Mental Health, New York, N.Y.: To study attitudes toward mental illness and mental health in diverse cultural and socioeconomic settings in order to develop evaluative methods and techniques needed by communities planning more effective mental health programs. Project No. 426	1959 1960 1961 1962	28,500 30,000 43,450 33,500
University of Minnesota Medical School, Minneapolis, Minn.: To study the use of a prevocational workshop as a diagnostic and therapeutic aid in vocational rehabilitation of patients with mental illness. Project No. 405.	1960 1961 1962 1963	38,008 49,803 52,289 52,900
Jewish Vocational Service, Chicago, Ill.: To investigate the contribution of work therapy together with other vocational rehabilitation activities on the course of mental illness and the vocational and social adjustment of persons recovering from functional psychotic disorders. Project No. 449.	1960	7,250
Central State Hospital, Lakeland, Ky.: To demonstrate the value of concurrent clinical treatment and home economics training in assisting women recovering from mental illness to resume their homemaker responsibilities. Project No. 486.	1960 1961 1962	19,571 16,490
Jewish Family and Children's Service, Denver, Colo.: To evaluate occupationally oriented group therapy, in conjunction with vocational training, in the rehabilitation of emotionally disturbed individuals. Project No. 487.	1960 1961 1962	31,050 23,268 21,300
The Rehabilitation Center, Evansville, Ind.: Work adjustment centers for disabled persons with emotional problems. Project No. 500.	1960 1961 1962 1963 1964	28,500 31,620 28,620 20,000 15,000
Jewish Vocational Service, Detroit, Mich.: To study the feasibility for vocational rehabilitation of patients recently discharged from a psychiatric hospital and to compare the accuracy of several methods of employability prediction. Project No. 505.	1960 1961 1962 1963	27,096 30,164 30,200 30,000
Butler Health Center, Providence, R.I.: To evaluate in a day-care setting the effectiveness of psychiatric treatment and vocational services for emotionally disturbed adolescents whose condition would otherwise hinder their successful employment or further education. Project No. 550.	1960 1961 1962 1963 1964	52,960 52,960 52,557 53,000 55,000
Kentucky Bureau of Rehabilitation Service, Frankfort, Ky.: Rehabilitation (halfway) house program for persons recovering from mental illness. Project No. 566.	1960 1961 1962 1963	39,042 23,072 19,975
Division of Vocational Rehabilitation, Charleston, W. Va.: Rehabilitation (halfway) house program for persons recovering from mental illness. Project No. 571.	1960 1961 1962 1963	49,770 40,312 38,300 30,000
St. Vincent's Hospital of the City of New York, New York, N.Y.: A systematic evaluation of the effect of social group work in the treatment and rehabilitation of psychiatric patients. Project No. 578.	1960 1961 1962	35,820 36,863 37,950
May T. Morrison Center for Rehabilitation, San Francisco, Calif.: Work adjustment centers for disabled persons with emotional problems. Project No. 553.	1961 1962 1963 1964	39,825 42,554 35,000 33,000
Berman School, Inc., Freeport, N.Y.: To investigate the contribution of a therapeutically oriented work-study program to the vocational rehabilitation of emotionally disturbed adolescents. Project No. 623.	1961 1962 1963	25,800 30,410 31,990

See footnotes at end of table, p. 700.

Research and demonstration projects in mental illness, 1959-64—Continued

Grantee	Fiscal year	Federal grant
St. Louis State Hospital, St. Louis, Mo.: Rehabilitation (halfway) house programs for persons recovering from mental illness. Project No. 630.	1961 1962 1963 1964	\$41,600 33,579 28,890 23,000
Jewish Vocational Service, Chicago, Ill.: To demonstrate the value of work therapy and other rehabilitative activities in a sheltered workshop setting in the vocational and social adjustment of former mental hospital patients. Project No. 641.	1961 1962 1963 1964	57,702 62,812 66,986 67,000
Goodwill Industries of El Paso, El Paso, Tex.: Work adjustment centers for disabled persons with emotional problems. Project No. 675.	1961 1962 1963	28,310 28,030 28,500
The Children's Village, Dobbs Ferry, N.Y.: To demonstrate in a day-care setting the feasibility of effective comprehensive rehabilitation service to meet vocational and social needs of emotionally disturbed delinquent adolescents. Project No. 685.	1961 1962 1963 1964	38,879 51,328 41,000 42,000
Goodwill Industries of Fort Worth, Fort Worth, Tex.: To demonstrate in a nonhospital setting the effectiveness of work evaluation and sheltered employment in the rehabilitation of chronic mentally ill patients admitted to a U.S. Public Health Service hospital. Project No. 689.	1961 1962 1963	21,894 16,000 11,000
Just One Break, New York, N.Y.: To demonstrate the effectiveness of intensive case services in cooperation with a State vocational rehabilitation agency for persons recently discharged from mental hospitals. Project No. 712.	1961 1962 1963	16,168 16,818 17,468
Massachusetts Mental Health Research Corporation, Cambridge, Mass.: To determine the therapeutic effectiveness of resident university student volunteers on the social and vocational rehabilitation of chronic mental patients in a community sponsored halfway house. Project No. 713.	1961 1962 1963 1964	27,150 ----- 32,200 30,000
Massachusetts Association for Mental Health, Boston, Mass.: To demonstrate the value of prevocational services and a transitional work conditioning program in a halfway house setting for ex-mental patients not yet ready to compete for full-time employment. Project No. 716.	1961 1962 1963	25,493 26,496 27,004
Minnehaha Guidance Center, Sioux Falls, S. Dak.: To demonstrate the feasibility of providing vocational, guidance, and other rehabilitation services to mentally and emotionally disturbed adults in a rural all-purpose mental health center. Project No. 754.	1961 1962 1963 1964	44,090 ----- 36,537 46,000
Georgia Division of Vocational Rehabilitation, Atlanta, Ga.: To demonstrate the therapeutic effectiveness of comprehensive vocational rehabilitation services to selected mental hospital patients given concurrently with other treatment. Project No. 778.	1961 1962 1963 1964	57,605 ----- 58,000 60,000
Arkansas Rehabilitation Service, Little Rock, Ark.: To develop and analyze a systematic method of screening hospitalized chronic neuropsychiatric patients for vocational rehabilitation potential. Project No. 784.	1961 1962 1963 1964	50,000 ----- 50,000 44,219
University of Pittsburgh, Pittsburgh, Pa.: To investigate the meaning of work for the mentally ill and its implications for vocational rehabilitation. Project No. 792.	1961 1962 1963	39,100 46,000 10,920
Family Service Association of America, New York, N.Y.: To develop an educational and informative theatrical production demonstrating the effectiveness of the rehabilitation process in the vocational rehabilitation of mentally ill. Project No. RC-9.	1961	80,089
Horizon House, Inc., Philadelphia, Pa.: To evaluate the effectiveness of a community based comprehensive residential program in the vocational rehabilitation of post-hospitalized psychiatric patients. Project No. 817.	1962 1963 1964	80,089 95,050 95,000
Conard House, Inc., San Francisco, Calif.: To demonstrate the effectiveness of integrating, within a residential setting, the posthospitalized psychiatric patient, the emotionally disturbed, and the mentally retarded in order to enhance certain adjustment factors which often impede occupational success for these groups. Project No. 837.	1962 1963 1964	28,560 28,785 30,000
University of Michigan, Ann Arbor, Mich.: To demonstrate methods of rehabilitating recent first-admission geriatric mental hospital patients in a normalized living and work situation within an institutional setting. Project No. 843.	1962 1963 1964	76,673 80,557 20,000
Worcester State Hospital, Worcester, Mass.: To demonstrate and evaluate a comprehensive screening, placement and followup for mental hospital patients involving employers and personnel directors. Project No. 848.	1962 1963 1964	42,085 44,000 45,000
Springfield Goodwill Industries, Springfield, Mass.: Work adjustment centers for disabled persons with emotional problems. Project No. 873.	1962 1963 1964	35,695 36,000 33,000
University of Wisconsin, Madison, Wis.: To study factors in constructive personality changes during group psychotherapy and the generality of operation of these factors in diverse patient populations. Project No. 896.	1962 1963 1964	50,036 ----- 41,500
Brandeis University, Waltham, Mass.: To plan a study of the influence of money payments for psychiatric disability on motivation for rehabilitation. Project No. 1035.	1962	4,370
New Mexico Rehabilitation Center, Albuquerque, N. Mex.: Work adjustment centers for disabled persons with emotional problems. Project No. 940.	1962 1963 1964	25,925 ----- 19,000
Hawaii State Hospital, Kaneohe, Hawaii: To evaluate methods of vocational counseling and supervision of chronic schizophrenic patients within a hospital setting. Project No. 891.	1963 1964	24,000 25,000
Massachusetts Mental Health Research Corp., Boston, Mass.: To evaluate the effectiveness of a 2-year posthospital counseling program for depressed patients. Project No. 908.	1963 1964	52,626 53,000

See footnotes at end of table, p. 700.

Research and demonstration projects in mental illness, 1959-64—Continued

Grantee	Fiscal year	Federal grant
Vocational Rehabilitation Division, Oklahoma City, Okla.: To show the effectiveness of intensive rehabilitation services for a group of young reformatory inmates who are physically handicapped, mentally retarded, and/or emotionally disturbed. Project No. 949.	1963 1964	\$43,730 2 44,000
Institute for the Crippled & Disabled, New York, N.Y.: To evaluate the effectiveness of a comprehensive rehabilitation setting in vocational rehabilitation of mental patients; to determine characteristics of the patient leading to his benefiting from such services. Project No. 990.	1963 1964	49,500 2 53,500
Mental Health Association of Oregon, Portland, Oreg.: Rehabilitation (halfway house) program or persons recovering from mental illness. Project No. 1039.	1963 1964	31,864 2 35,000
Vocational Guidance Rehabilitation Service, Cleveland, Ohio: Work adjustment center for disabled persons with emotional problems. Project No. 1040.	1963 1964	37,966 2 35,000
The Thresholds, Chicago, Ill.: To evaluate the effectiveness of placement of ex-mental patients in protected employment situations as a transition to full competitive employment. Project No. 1058.	1963 1964	49,500 2 50,000
University of Vermont College of Medicine, Burlington, Vt.: To evaluate a long-term mental hospital rehabilitation program by following ex-mental patients for up to 12 years. Project No. 1062.	1963 1964	11,327 2 11,500
Division of Vocational Rehabilitation, Baltimore, Md.: To study the effectiveness of unstructured group counseling as a means of improving employability. Project No. 1070.	1963 1964	10,845 2 11,000
Western Reserve University, Cleveland, Ohio: To set up a psychiatric index listing identifying interdisciplinary research on the emotional and social components of illness. Project No. 1186.	1963	4,445

¹ Funds awarded and project began prior to 1959.

² Estimated amounts.

APPENDIX IV

Published final reports on VRA-supported research projects in psychiatric rehabilitation

Grantee agency and report title:	Project No.
Massachusetts Mental Health Center, Boston, Mass.-----	55
Kramer, Bernard M., "Day Hospital: A Study of Partial Hospitalization in Psychiatry." New York: Grune and Stratton, 1962.	
Vermont State Hospital, Waterbury, Vt.-----	180
Brooks, George W., project director, "The Vermont Story: Rehabilitation of Chronic Schizophrenic Patients," 105 pages; January 1961.	
Butler Health Center, Providence, R.I.-----	182
Hyde, Robert W.; Bockoven, J. Sanbourne; project director, Pfautz, Harold W.; and York, Richard H., "Milieu Rehabilitation for Physical and Mental Handicaps," 1962.	

AGING

I. SCOPE OF PROBLEM

The magnitude of the problem faced by National, State, and local governments and private organizations in assisting and rehabilitating the aged can best be illustrated by figures currently available on the increased number of these individuals in our population.

According to the 1960 census, nearly 53 million people in the Nation are aged 45 or more, 16½ million are 65 years of age or older. It is estimated that by 1980 some 68,400,000 of our population will be age 45 or beyond and that 24,500,000 of these people will be 65 years of age or older.

As the number of older people in our population increases, the number that will need rehabilitation will also increase. In view of this situation, the Vocational Rehabilitation Administration is designing programs not only to rehabilitate vocationally as many individuals as possible now, but also to assist the larger number of individuals who will be needing vocational rehabilitation in the future.

Such an objective is in accord with the 1961 White House Conference on Aging recommendations which urged immediate action to improve and expand rehabilitation programs for our older citizens.

II. NEED OF VOCATIONAL REHABILITATION SERVICES FOR THE AGING

Middle aged and older persons suffer disproportionately from chronic illness and disability, consequently, one of their major concerns is health—both physical and mental. Usually, their economic condition makes it more difficult for them to bear the costs of prolonged medical services than younger persons. Often the care they receive in hospitals or other institutions is custodial rather than rehabilitative. This results in several million of our older citizens being almost solely dependent on others for their support or for meeting the normal demands of daily living. They cannot work, travel, feed themselves, dress, communicate adequately, or move about without aid.

Many could learn again to live their lives independently and with greater dignity if they were provided with modern rehabilitation services. Some could return to work. Others could be assisted to conditions enabling them to care for themselves. Rehabilitation services in either case would benefit not only the disabled person alone but also society as a whole. For example, lost wages would be restored to those who returned to work, industry would regain labor skills, and there would be new purchasing power and tax revenues in the economy. Institutional and welfare costs would often be reduced as some individuals would no longer be dependent or need constant attendance thereby enabling the community to benefit from decreased expenditures.

III. EXTENT OF DISABLEMENT AMONG AGING PERSONS

National estimates indicate that more than 5 million people in this country, aged 45 and over, have disabilities lasting 3 months or longer.

The Vocational Rehabilitation Administration estimates that approximately 1.5 million of these 5 million long-term disabled people—among them 115,000 persons 65 years of age or older—would need, could benefit from and would want vocational rehabilitation services in order to return to work. These 1.5 million people have either a chronic disease and/or a physical or mental impairment that constitutes a serious handicap to employment. Their disabilities are long term rather than temporary in nature; yet their conditions are not so serious or of such a nature that there is little chance to rehabilitate them for work.

The remaining 3.5 million probably cannot be rehabilitated in terms of work, but could, in varying degrees, be returned to self-care and independence through appropriate services. It would lift them from dependency on families, institutions, or public welfare, with consequent benefits to their dignity, relief of growing burdens on institutions, and reduction of public and private costs for their maintenance.

IV. PROGRESS IN REHABILITATION OF THE AGING DISABLED

As a result of modern rehabilitation services, there are many thousands of handicapped middle-aged and older persons at work in every occupational field performing jobs as efficiently and reliably as workers who have no handicap.

Under the State-Federal vocational programs, there has been since 1945 a steady increase each year both in the number of older disabled individuals rehabilitated into gainful employment and in the percent which this group constitutes of the total. In 1945, 7,344 disabled persons 45 years of age and older were rehabilitated into gainful employment in the State-Federal vocational rehabilitation program. In 1950, 14,127, almost twice the 1945 number, were rehabilitated. In 1960, the total number of individuals aged 45 and over rehabilitated was 25,674. In 1961 the total number was 27,592 while in 1962 it was 29,968. It is estimated that a total of 33,000¹ persons 45 years of age and older will be rehabilitated during fiscal year 1963, and a probable 37,000¹ in 1964.

These people are employed in every segment of America's productivity—in large and small industrial firms, on the farms, in retail stores and offices, in the professions, in their own small business, in the many service occupations and in the important tasks of housewife and homemaker.

Many disabled older people in the white-collar group have entered or reentered occupations in which there are shortages of competent professional and technical people, such as teaching, nursing, social and welfare work, the clergy, and laboratory technicians and assistants. In other groups they are working as office clerks, bookkeepers, secretaries, salespersons, cooks, maids, stewards, hostesses,

¹ Data are estimated.

waiters, beauticians, bakers, tailors, farmers—in short in every occupation in the Nation.

V. RESEARCH AND DEMONSTRATION PROJECTS SERVING THE AGED

A wide diversity of problems is found among older disabled people. In order to obtain more knowledge about these problems, the Vocational Rehabilitation Administration is helping to support research and demonstration projects relating to this older group. Since 1954, the Office has provided financial assistance amounting to over \$7 million for these projects. Usually, the sponsors of such projects contribute an additional dollar for every \$2 of Federal grant funds, and to date grantees have invested nearly \$3 million of their own funds in these research and demonstration activities.

In 1962, the Vocational Rehabilitation Administration supported 42 projects with grants estimated at over \$2 million. All of these projects were developing new methods and techniques for dealing with the problems of disability among older disabled individuals. For example, a project in New York City pioneered in demonstrating that disabled older workers could be successfully retrained and placed in employment; 197 handicapped men over 60 years of age were placed in competitive industrial employment. The oldest individual placed was over 80. The results of this project were so good that 10 similar projects have been established in Kansas City and St. Louis, Mo.; St. Paul and Mankato, Minn.; Milwaukee, Wis.; Miami, Fla.; Gadsden, Ala.; Dallas, Tex.; Philadelphia, Pa., and the Virgin Islands. In September 1961 representatives of these projects attended a 2-day conference in New York City at which the training and placing of older handicapped workers in employment were discussed.

A number of projects are seeking to assist older people confined to institutions and nursing homes to become as self-sufficient as possible. For some, this would mean a resumption of a normal place in community life.

In the State of Washington a VRA-sponsored project to rehabilitate the chronically ill confined to nursing homes was very successful. An elderly woman unable to respond, walk, or feed herself was committed by her family to a mental hospital and remained for 18 months. She was released to a nursing home and after 6 weeks of intensive treatment by the staff was able to respond, feed herself, and walk. She was subsequently returned home and her family was delighted and amazed at her progress.

The University of Michigan and the Illinois Public Aid Commission developed special staff training techniques and rehabilitation methods applicable in public and private nursing homes.

At Highland View Hospital, Cleveland, Ohio, a project successfully demonstrated that rehabilitation is possible for long-term hospital cases disabled by severe chronic diseases.

All of the research and demonstration projects have a common goal—finding new techniques and methods for restoring maximum functional or earning capacity to older disabled people.

VI. TRAINING

Since it is anticipated that a higher proportion of older disabled persons will require rehabilitation services, more of the training resources of the Vocational Rehabilitation Administration are being devoted to increasing the proficiency of rehabilitation personnel in relation to the older disabled person. The administration is supporting special institutes in geriatric rehabilitation in a number of our universities.

For example, the Department of Physical Medicine and Rehabilitation of the New York Medical College Metropolitan Hospital Center conducted a 2-week course on the principles and practices of geriatric rehabilitation for registered nurses, occupational therapists, physical therapists, and social workers.

In the spring of 1961 the State University of Iowa conducted two short-term training courses on techniques and methods of counseling the older disabled worker. In October 1962 the Vocational Rehabilitation Administration co-operated with the Hawaii Commission on Aging to conduct an institute on aging in Honolulu, Hawaii.

In the past, workshops have been held in California, Arizona, Oregon, Utah, Texas, Mississippi, and West Virginia in order to bring together community agencies for a cooperative attack on problems of service to the aging. Future

plans call for such workshops to be held in additional States for this same purpose.

VII. EXTENSION AND IMPROVEMENT PROJECTS SERVING THE AGED

One of the ways in which the States have been most effective in making it possible for more older people to be rehabilitated is through extension and improvement projects provided under section 3 of Public Law 565.

For example, the State of Kansas is providing special diagnostic evaluation services aimed at assisting the older worker to return to productive employment; Michigan is providing special rehabilitation services for the aged; Nebraska has assigned a counselor to serve the aged disabled as well as a counselor to assist in rehabilitation of the aged blind; and Oklahoma has begun a statewide study of the rehabilitation and employment needs of the older worker.

VIII. REVIEW OF REHABILITATION OF THE AGING, 1959-64

A. Expenditures for rehabilitation of the aging, fiscal years 1959-64

1. STATE VOCATIONAL REHABILITATION AGENCIES: REHABILITATED PERSONS 45 YEARS OF AGE OR OVER AT ACCEPTANCE, FISCAL YEARS 1959-64

Fiscal year	All reha- bilitants	45 years of age and over	Percent
1959.....	80,739	24,275	30.2
1960.....	88,275	25,674	29.1
1961.....	92,501	27,592	29.9
1962.....	102,377	29,968	29.3
1963 ¹	110,400	33,000	29.3
1964 ¹	126,500	37,000	29.3

¹ Data are estimated.

2. STATE EXPENDITURES FOR OLDER HANDICAPPED PERSONS

Fiscal year	Number of individuals aged 45 and over reha- bilitated	Federal share of the cost
1959.....	24,275	\$12,250,000
1960.....	25,674	13,000,000
1961.....	27,592	16,500,000
1962.....	29,968	19,000,000
1963.....	33,000	21,750,000
1964.....	37,000	26,500,000

3. EXTENSION AND IMPROVEMENT PROJECTS SERVING THE AGED

Fiscal year	Federal grant	State	Title of project
1960..... 1961..... 1962.....	\$13,659 9,555 13,600	Kansas.....	Services for a special group (intensive team approach of diagnostic evaluation and rehabilitation services at the Hadley Memorial Rehabilitation Center and return of older worker to productive employment).
1960..... 1961..... 1962.....	31,488 52,051 31,488	Michigan.....	Special rehabilitation services for the aged including purchase of services.
1961..... 1962.....	3,829 3,822	Nebraska (blind).....	Rehabilitation of the aging blind (assignment of counselor experimentation in anticipation of developing techniques for serving the older age worker).
1963..... 1961..... 1962.....	5,000 7,658 7,644	Nebraska (general).....	Counselor for the aged disabled.
1963..... 1961.....	10,000 18,898	Oklahoma.....	A statewide study of the rehabilitation and employment needs of the older worker.

NOTE.—No projects serving the aged before 1960.

A. Expenditures for rehabilitation of the aging, fiscal years 1959-64—Continued

4. RESEARCH AND DEMONSTRATION PROJECTS EXPENDITURES

Fiscal year	Research and demonstration projects	Selected demonstration projects	Estimated new projects	Total
1959.....	\$445,437	\$147,320	-----	\$593,000
1960.....	585,081	205,212	-----	790,000
1961.....	1,474,676	283,074	-----	1,758,000
1962.....	1,843,232	289,567	-----	2,133,000
1963.....	1,903,021	170,015	-----	2,073,000
1964.....	1,174,000	243,000	\$650,000	2,067,000

5. SHORT-TERM TRAINING COURSE EXPENDITURES

Fiscal year	Sponsor	Federal grant for aging	Total
1959.....	New York Medical College.....	\$13,961	} 17,546
	University of Mississippi.....	1,010	
	San Diego State College.....	2,575	
1960.....			} 12,997
1961.....	University of Connecticut.....	2,020	
	University of Iowa.....	9,700	
	University of San Francisco.....	1,257	
1962.....	Salt Lake City, Utah health department.....	2,587	2,587
1963.....	Hawaii State Interim Commission on Aging.....	1,471	1,471
	Additional (pending) \$40,000.....		
1964.....	Estimated.....	45,000	45,000

B. Accomplishments

1. *Research.*—Although many economists and labor experts agree that the older worker has valuable skills and talents which can be utilized, unfortunately, many employers and a large portion of the general public are not convinced of his ability, much less the ability of the older handicapped worker, to produce in competitive employment.

The Vocational Rehabilitation Administration is attempting to counteract this point of view through research projects designed to present facts on the older disabled worker's productivity. For example, projects are now being conducted in Florida, Colorado, Massachusetts, Michigan, and Texas geared to train and place the older handicapped worker into competitive industrial employment.

The New York project previously referred to which pioneered in demonstrating the feasibility of vocationally rehabilitating handicapped workers aged 60 and above and proved so worthwhile that 10 other demonstration projects currently in operation were adapted from it, is engaged in a new 5-year project to evaluate results of a community-operated vocational rehabilitation program. Results of these studies, plus results obtained from other VRA-supported projects, will provide tangible evidence regarding the adjustment and performance of the older handicapped worker on the job.

A number of research and demonstration projects are designed to assist older people confined to nursing homes to become as self-sufficient as possible and to train nursing home personnel in modern rehabilitation techniques that can be applied to older persons under their care.

2. *Jobs for the blind.*—The Vocational Rehabilitation Administration puts forth sustained efforts to open greater job opportunities for the blind including the expansion of vending stand opportunities under the Randolph-Sheppard Act. Over half of the vending stand operators are 45 years of age and over.

3. *Jobs for the deaf.*—As the inroads of automation have their impact upon the employment of the large numbers of older deaf workers in skilled and semi-skilled occupations, efforts should be increased to emphasize retraining and reemployment.

OLD-AGE AND SURVIVORS INSURANCE

The disability provisions of the Social Security Act in 1954, and as subsequently amended, have been a factor in the growth of the number of older people being served. Annually, about 400,000 to 500,000 applicants for disability benefits are referred to by the Bureau of Old-Age and Survivors Insurance to the State vocational rehabilitation agencies for possible vocational rehabilitation services. An increasing number of these applicants are being provided with rehabilitation services including many individuals from older age groups.

Under the Vocational Rehabilitation Administration research and demonstration program, three major projects concerned with the development of improved medical and vocational evaluation techniques are being conducted in Louisiana, Ohio, and Minnesota. In addition, there are in operation 11 demonstration projects designed to determine the extent to which the older and severely disabled persons may benefit from the provisions of vocational rehabilitation services.

C. Future plans

1. *Research and demonstration.*—In order to make progress in rehabilitating older disabled people it is necessary to have factual data. Such data is obtained primarily from research through which methods and procedures for various types of rehabilitation services are discovered, developed, and adapted for use.

It is planned to continue emphasis on research projects and conduct demonstrations throughout the country which will illustrate the techniques or findings of research projects. Such demonstrations will serve to illustrate that with proper evaluation, training and placement many older people can return to work, or, with other assistance, achieve greater independence.

2. *Training of personnel.*—There is an urgent need to orient hospital, nursing home, and other institutional personnel in modern methods of rehabilitative care and techniques. Thus, training programs in the field of aging for professional and technical personnel working with older disabled people should be expanded.

There is, of course, the need to expand the basic professional training programs in rehabilitation for physicians, occupational therapists, physical therapists, rehabilitation counselors, speech and hearing therapists, and other specialists concerned with rehabilitation of the disabled.

3. *Community resources.*—It is of the utmost importance to established services in the community for postinstitutional care of the aged who are ill, also services to sustain disabled individuals after restorative medical care, and prevent or reduce the need for institutionalizing persons who could be maintained in their homes. There is also a need to promote job opportunities for the aged disabled among local employers, to develop business orders for rehabilitation facilities, to establish recreational programs, friendly visitor programs, and other projects.

As our aging population increases, the demand for various types of services becomes greater, necessitating plans for expanded program operations and increased financial assistance to make program expansion possible.

The Vocational Rehabilitation Administration will continue to put forth sustained efforts to provide improved services for more aging disabled people in order that they may be able to be vocationally rehabilitated and/or help themselves realize their full potential.

Financial support for aging

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964
Number of rehabilitants.	24,275	25,674	27,592	29,968	33,000	37,000
Grants to States.....	\$12,250,000	\$13,000,000	\$16,500,000	\$19,000,000	\$21,750,000	\$26,500,000
Research.....	593,000	790,000	1,758,000	2,133,000	2,073,000	2,067,000
Training.....	17,500	-----	13,000	2,600	1,500	45,000
Total, vocational rehabilitation administration..	12,860,500	13,790,000	18,271,000	21,135,600	23,824,500	28,612,000

MULTIPLE SCLEROSIS

1. *Problems in rehabilitating this disability group.*—Multiple sclerosis, one of the major disorders affecting the central nervous system, is a chronic, usually progressive and crippling disease that strikes chiefly persons between 20 and 40 years old. Its cause is obscure, it is slow in onset, and there is no specific diagnostic test for this disease.

An estimated 250,000 persons in the United States suffer from this disease and additional 250,000 from closely related diseases.

2. *Accomplishments.*—(a) Federal-State program :

*Estimated and actual number of rehabilitants with multiple sclerosis, 1959-64, State VR agencies*¹

Fiscal year ending June 30—	Persons rehabilitated	
	Total	Multiple sclerosis
1959.....	80,739	263
1960.....	88,275	242
1961.....	92,501	280
1962.....	102,377	315
1963.....	110,400	350
1964.....	126,500	400

¹ The total number of rehabilitants are actual for fiscal years 1959, 1960, 1961, and 1962; for fiscal years 1963 and 1964 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants disabled by multiple sclerosis are actual for fiscal years 1959, 1960, 1961, and 1962; for fiscal years 1963 and 1964 they are estimated on the basis of the proportion in the group for the preceding 5-year period.

Because multiple sclerosis is a progressive disease, forecasting employability for these individuals is difficult and unpredictable. For this reason, State rehabilitation programs often have not undertaken services for larger numbers of this disability group. In fiscal year 1963 an estimated 350 such persons will be rehabilitated at an estimated expenditure of about \$230,000 with 280 and 315 persons with multiple sclerosis rehabilitated in 1961 and 1962, respectively, with expenditures of Federal funds estimated at \$230,000 in 1963 and \$285,000 in 1964. The actual number of persons with multiple sclerosis rehabilitated in 1961 and 1962, respectively, were 280 and 315 with actual expenditures of funds being \$170,000 in 1961 and \$195,000 in 1962.

(b) *Training:* There have been no specific training programs sponsored by the Office of Vocational Rehabilitation for multiple sclerosis. However, instruction about a number of neurological diseases is incorporated into the basic training program for a number of professional personnel such as rehabilitation counselors, medical students, etc.

(c) *Research:* We have no new projects in this field as of January 1, 1963. This office did support a 2-year (November 1955–April 1957) project at George Washington University, entitled, "A Study of Factors Influencing Individual Adjustment to Chronic Disease." This project specifically covered the psychological and psychiatric aspects of multiple sclerosis. The total project cost was \$9,553.57.

3. *Research and training needs.*—A. Rehabilitation research needs :

(a) The study of various physical modalities used in physical medicine in the treatment of multiple sclerosis.

(b) The use of orthotic devices.

(c) The causes and treatment of spasticity.

(d) The causes and treatment of contractures and other complications.

(e) The therapeutic uses of various forms of heat to reduce symptoms.

(f) The use of activities of daily living techniques.

(g) Homemaking programs.

(h) Psychological and psychiatric evaluation and treatment of this condition.

(i) The use of various aids in increasing the vocational potential of these patients.

B. *Training needs:* The basic need is that of trained personnel to treat, study, and to train patients with multiple sclerosis. These would fall in the

category of psychiatrists, physical therapists, occupational therapists, psychiatrists, psychologists, counselors, homemakers, nurses, speech therapists, and other related personnel.

4. *Prospects for the future.*—With further advances in drug therapy, neurosurgical procedures, and rehabilitation techniques the potential of those suffering with multiple sclerosis should be much greater than at present. It is our plan to encourage further research and training programs as well as the educational aspects of this disease. Since the larger proportion of persons with multiple sclerosis are women in the 20 to 40 age group, the objective should be to accept increasing numbers for services with the vocational goal of homemaker.

DRUG ADDICTION

While the State vocational rehabilitation agencies stand ready to accept for vocational rehabilitation services narcotics addicts following the maximum period of treatment necessary, few cases have been referred and, of those accepted, the number of successful closures has been minimal. Seven were rehabilitated in 1959, 10 in 1960, 15 in 1961, 20 in 1962. It is estimated that 30 will be rehabilitated in 1963 and 40 in 1964.

One of the most intensive efforts has been made by the New York State Division of Vocational Rehabilitation. In 1953 a counselor was assigned to maintain liaison with Riverside Hospital, the hospital on North Brother Island established for the treatment of young addicts. Although more referrals have been made to vocational rehabilitation and more cases accepted from this source than from any other, results have not been encouraging.

In Puerto Rico we are probably more advanced in this field than in any of the States on the mainland. Within the Department of Health, there was organized in 1961 a demonstration program for the treatment of drug addicts who voluntarily present themselves to the public health services for treatment. Early in 1962 Vocational Rehabilitation became associated with this project and by May 1962 had handled approximately 20 cases. The value of vocational rehabilitation services was so substantial that a request was made for a greatly increased involvement. Subsequently, the Director of Vocational Rehabilitation submitted to VRA a research and demonstration grant application to permit the financing of a special project to determine the value of rehabilitation services for this group of patients. Currently, support has been recommended for a study to plan a suitable demonstration and evaluation of the effectiveness of specified rehabilitation procedures as applied to drug addiction.

The report of a followup study of the total hospital population made in 1959 by Columbia University School of Public Health for the Interdepartmental Health Resources Board of New York State emphasizes the many difficulties encountered in working with this group.

The study involved all new admissions between 1955 and 1959, a total of 247 patients. A record analysis based on information from the hospital and the State Department of Correction showed that 86 percent of the group had either been rehospitalized for treatment of narcotics use or rearrested by the police, or both, one or more times. Only 4 percent had no new experience in institutions and were believed to have had no apparent difficulties in posthospital adjustment.

Other studies including a pilot project sponsored by the NIMH point to the need for closer coordination of community services; the fact that addicts are frequently members of families that may require as much help as the patient himself and the need to recognize that addiction is a chronic problem and that any progress or even periodic assistance is a boost to the patient, his family, and the community. Institutionalization is not enough, ultimate rehabilitation must be accomplished in the community.

The VRA participated in the work of the Committee on Narcotics which was established by the President in 1954. Recommendations were submitted to the President in 1956.

The VRA will continue to encourage research and demonstration in this area. We would like to see a project on coordinated vocational rehabilitation services for addicts in the setting of a sheltered workshop, as a posthospital experience for an addict who has had successful medical treatment.

We would also like to cooperate in a demonstration of a halfway house for addicts. We understand there are only one or two. These may now be or could be the focus of vocational training, counseling, selective job placement—as well

as other needed followup services in the community. A halfway house would also serve as a point of return for the addict into a new community setting.

Pilot efforts would have to precede any substantial efforts to build continuing projects or activities for rehabilitation of narcotics addicts into ongoing State vocational rehabilitation programs. They should concentrate in the cities with greatest incidence. They should also be planned to run for at least 5 years, and then hopefully to be absorbed into ongoing programs. We do not believe States can afford yet to go into so uncertain and relatively costly a venture—without Federal leadership in pilot, exploratory efforts.

Early in the planning, these pilot efforts should lead into development of special training courses for rehabilitation counselors who will handle the vocational rehabilitation of narcotics cases and others like social workers, public health nurses, probation and parole officers who will work in this rehabilitation.

ALCOHOLISM

1. PROBLEMS IN REHABILITATING THIS DISABILITY GROUP

The committee on alcoholism of the World Health Organization has defined "alcoholics" as: "Those excessive drinkers whose dependence on alcohol has attained such a degree that they show noticeable mental disturbance and interference with their bodily health, their interpersonal relations, their smooth social and economic function and who show prodromal signs of such developments."

In the field of vocational rehabilitation, alcoholism is a most serious problem. It is estimated that there are nearly 5 million victims of alcoholism in the United States today. About 2 million of these are jobholders who constitute almost 3 percent of the entire industrial force. Some 200,000 new cases arise annually. Wage losses attributed to alcoholism amount to almost \$4½ million a year. It ranks with cancer, heart disease, and mental illness as one of the four major health problems.

An increasing number of State vocational rehabilitation agencies are developing special programs for the rehabilitation of alcoholics. Most of these are in collaboration with those independent agencies in the community having overall responsibility for the problem such as State commissions on alcoholism or treatment centers. In some States treatment programs may be developed under the department of health or the department of mental health. In any event where these programs are well established it is the general practice to assign a counselor from the State vocational rehabilitation agency to participate in serving referrals. In some instances this counselor follows through with rehabilitation plans, in others he may refer the client to counselors carrying a regular caseload.

The referrals from State mental hospitals include many alcoholics. However, it is the policy of most State vocational rehabilitation agencies to accept for service only those persons diagnosed as alcoholics who become members of Alcoholics Anonymous or are participating in an active treatment program.

2. ACCOMPLISHMENTS

Federal-State program

The consistent gain in numbers of alcoholics rehabilitated is reflected in the following table:

Fiscal year	Number	Amount ¹
1959.....	246	\$140,000
1960.....	309	175,000
1961.....	440	260,000
1962.....	638	400,000
1963.....	950	625,000
1964.....	1,400	1,000,000

¹ Amounts show Federal share only under secs. 2 and 3 of the act.

Research

Under the research and demonstration grants program as authorized under Public Law 565, the VRA has granted funds for eight projects on alcoholism. Three of these have been completed.

Grant awards for research and demonstration projects in alcoholism

Grantee	Amount of Federal grant approved, fiscal year—				
	1960	1961	1962	1963	1964
Volunteers of America of Los Angeles, Inc., Los Angeles, Calif.: To demonstrate the employability of a group of chronic alcoholic men through the utilization of a multidisciplinary professional staff in a service center. Project No. 284.	\$41,118				
The National Council on Alcoholism, Inc., New York: A demonstration of the value of vocational counseling in a psychiatric-oriented rehabilitation program for alcoholics. A 3-year project now in the 3d year. Project No. 418.	39,040	\$45,100	\$44,100		
The Salvation Army Men's Social Service Center, San Francisco, Calif.: To demonstrate the effectiveness of a long-term in-residence vocationally oriented program, in both rural and urban semi-controlled environments, for the rehabilitation of selected alcoholics. A 5-year project now in the 3d year. Project No. 616.		46,290	53,140	¹ \$50,000	¹ \$50,000
Florida Alcoholic Rehabilitation Program, Avon Park, Fla.: To analyze and evaluate the collaborative techniques used by a State alcoholism program and State rehabilitation service in rehabilitating 200 alcoholic patients. A 3-year project now in the 3d year. Project No. 640.		31,271		32,796	¹ 33,000
University of California, Los Angeles, Calif.: A 3-year project now in its 2d year. To study the effect of alcoholism on vocational adjustment by analyzing career patterns of 600 male and female alcoholics who have apparently ceased drinking permanently. Results so far indicate normal career progression for these individuals with some evidence that at higher occupational levels may tend to be "protected" by their employer. Personality factors differentiating these persons from alcoholics still drinking will be studied. Project No. 726.		34,167	35,073	34,965	
University of California, Los Angeles, Calif.: A 3-year project just beginning. To study personality patterns of ex-prisoners with a history of alcoholism and recidivism who have not come into contact with the law for a substantial period as contrasted with those who have remained in prison over an extended period. Project No. 1146.				30,468	¹ 29,500

¹ Estimated amounts.

Completed research projects

University of Utah, Salt Lake City, Utah.

Connecticut Commission on Alcoholism, Hartford, Conn.

Volunteers of America of Los Angeles, Inc., Los Angeles, Calif.

The Utah Rehabilitation Agency felt the project on alcoholism demonstrated effectively a concentrated clinic team approach to the alcoholic and his problem. Consequently when the research and demonstration project was completed the Utah agency initiated an extension and improvement project—"Specialized Rehabilitation Services for Alcoholics." This project has been awarded \$7,280 in 1961 in addition to the previous year's Federal grant of \$7,251. The project has now been absorbed in the general program. Alcoholics are referred to the alcoholism clinic and are screened by the vocational rehabilitation counselor. Diagnostic procedures, consisting of a complete evaluation at the alcoholism clinic, are instituted.

Although the Colorado agency's extension and improvement project is primarily to improve services to the mentally ill, it has added one counselor to serve the alcoholics. This is also the case in the program at the State hospital in Little Rock, Ark.

Some suggestions for future research

1. Screening of alcoholics for rehabilitation. Alcoholic individuals vary a great deal in personality characteristics. Their greatest likeness is simply the fact that they drink uncontrollably and exhibit certain symptoms caused by this condition: disturbed interpersonal relationships, sense of personal inadequacy, social isolation, instability of employment. There do appear, however, to be identifiable characteristics leading to a relatively good prognosis for rehabilitation. These relate to motivation for treatment and resources for improved social relations. So far such emerging factors have been "dryness" at time of clinic contact, sobriety during clinic interviews, age (older), voluntary visit to clinic, fairly good employment history, positive family relationships, keeping of at least six clinic appointments. No doubt other characteristics predisposing to attainment of continued sobriety can be identified and developed into a structural interview to be administered during early contacts.

2. Procedures for incorporating vocational rehabilitation into the therapy of alcoholic patients. The first problem in this connection is the place of vocational difficulties in the adjustment of the alcoholic patient. Cause must be distinguished from effect. The spotty work history of these individuals is a symptom, not a part of the basic pathological process. Thus counseling and placement presuppose therapeutic intervention into the fundamental adjustment processes. For this reason ways must be found of integrating vocational guidance with therapy of a group or individual nature.

3. It has been the experience of our projects that initial job placements are frequently of short duration and followed by relapse. More than in other areas, counseling and therapy must be carried on after placement. Project 418 suggests a period of 2 or 3 years. During this time there must be a good coordination of counselor and therapist. Project 418 is trying out the effect of having the counselor participate with the therapist in group therapy sessions. Other methods of relating the two types of service could be tried out.

4. More fundamental than the job history of the alcoholic patient is his basic attitude toward employment. This involves the meaning of work for him and the use he makes of it. Thus project 726 has adduced evidence that alcoholics often prefer work which will suffer less from worker's poor physical condition or absence on account of illness. Project 418 indicates that alcoholics at the beginning of treatment are depressed by their vocational inadequacies but at the same time may entertain unrealistic, fantasylike views of possible employment, ideas which are essential to their concept of themselves and thus hard to uproot. Methods should be devised for dealing with the alcoholic's use of work as a support to, not an antidote to, his pathological behavior.

5. At the same time alcoholics are frequently excluded from halfway houses or recreational centers for convalescent patients. There needs to be more exploration of the use of halfway houses, rehabilitation centers, and transitional employment in industry for alcoholics. Some industries have instituted remedial programs for alcoholics and these might cooperate with transitional employment programs.

Training courses for the rehabilitation of the alcoholics

The subject is also given some attention in the 2-year training grant program in the various universities receiving grants for counselor training. Some of the hospital fieldwork programs afford an opportunity for some extensive study of the problem.

Each year a number of counselors from the State vocational rehabilitation agencies attend the Yale Summer School on Alcoholism and also those held locally such as in Colorado, Utah, and Louisiana.

Two training grants were made to Millsaps College in Jackson, Miss., during fiscal year 1962. The first made at the beginning of the year was for \$4,856; the second made at the end of the year was \$6,490. These are short-term courses designed to give vocational rehabilitation counselors a better understanding of the problems of the alcoholic. Another such course is planned for 1964 at the University of Georgia.

There is a need for an increase in intensive activities in this area for rehabilitation personnel in all States. These staffs will need greater knowledge of the pathology of alcoholism, modification of rigid and moralistic attitudes through recognizing the alcoholic's self-deprecating image, his fundamental insecurity and dependence (especially important for the welfare client). The counselor must have some understanding too of the needs of families of the

alcoholic. Spouses and children of alcoholics have been found to benefit from group therapy which in turn benefits the entire family.

In 1963, \$25,000 will be expended for a planning conference at the national level and an estimated \$25,000 in 1964 for workshops at the regional level.

JUVENILE DELINQUENCY

While the State-Federal program of vocational rehabilitation is not committed to work with the juvenile delinquent, per se, since the program is designed for the vocational rehabilitation of the physically and mentally handicapped, it is recognized that this goal has important bearings on the ultimate behavior of children in families. It is a well known fact that family life is seriously disrupted when the wage earner becomes incapacitated with the result that income is greatly diminished and standards of living are significantly lowered. In like manner the inability of the housewife and mother to fulfill her normal obligations seriously jeopardizes the normal development of the child. Thus by reducing dependency and idleness with their inherent dangers and restoring or maintaining the unity of family life vocational rehabilitation plays a large part in reducing the potential for delinquency.

More directly offering vocational rehabilitation services to adolescents or those approaching the working age is a powerful agent in the prevention of delinquency.

The emotionally disturbed child is one who frequently acts out his anger and frustrations and thereby encounters difficulty with the law. Too often he has been labeled delinquent without the necessary exploration into the causes of his behavior and too often the need for treatment has been ignored.

Since 1956 the Vocational Rehabilitation Administration has supported in part 71 research and demonstration projects concerned with the rehabilitation of persons with mental and personality disorders. Many of these have included those under 20 years of age. Three projects are specifically directed toward the adolescent.

A project at Children's Village, Dobbs Ferry, N.Y., is designed to demonstrate in a day-care setting the feasibility of effective comprehensive rehabilitation service in meeting vocational and social needs of emotionally disturbed delinquent adolescents. In the year July 1, 1961-June 30, 1962, 22 persons received these services.

At the Butler Health Center in Providence, R.I., a project is in progress to evaluate in a day-care setting the effectiveness of psychiatric treatment and vocational services for emotionally disturbed adolescents whose condition would otherwise hinder their successful employment or further education. In the year July 1, 1961-June 30, 1962, 128 received these services.

The project at the Berman School in Freeport, N.Y., is designed to investigate the contribution of a therapeutically oriented work-study program to the vocational rehabilitation of emotionally disturbed adolescents. Forty-one individuals were selected for service in the year July 1, 1961-June 30, 1962.

In July 1962 a grant was made to the Oklahoma Division of Vocational Rehabilitation for a project to demonstrate and evaluate the effectiveness of rehabilitation services provided to a prison population in the State reformatory. The experimental group will be drawn from an inmate population of young men characterized by mental retardation, emotional disorders, physical disablement or some combination of these handicaps.

Grant awards for research and demonstration projects in juvenile delinquency

Project No.	Grantee	1960	1961	1962	1963 ¹	1964 ¹
550	Butler Health Center, Providence, R.I.----	\$52,960	\$52,960	\$52,557	\$53,000	\$55,000
623	Berman School, Inc., Freeport, N.Y.-----		25,800	30,410	² 31,990	
685	The Children's Village, Dobbs Ferry, N.Y.-----		38,879	51,328	41,000	42,000
949	Oklahoma DVR, Oklahoma City, Okla.-----				² 43,730	44,000

¹ Estimated amounts.

² Actual award.

The mentally retarded individual tends to harbor an inferior image of himself. Inadequate education and social ostracism have forced him into a world of loneliness and isolation. Seeking human companionship, acceptance, and recognition, he becomes easy prey for those who seek to make use of him in anti-social activities.

Of the 34 research and 36 selected demonstration projects currently in operation in the field of mental retardation under the Vocational Rehabilitation Administration research and demonstration program, a majority provide services primarily to the mentally retarded youth. Learning good work habits, acquiring job skills and acceptable social conduct prepares him to become a useful and self-respecting member of society and the danger of his succumbing to undesirable influences is considerably lessened.

By no means are all services provided the emotionally disturbed or mentally retarded youth confined to the programs under the special project grant authority. Much has been accomplished through the general program of the State agencies. Many State agencies have served the mentally retarded youth in particular either through extension and improvement projects or under the basic program by developing rehabilitation facilities, assigning special counselors to work with the school systems, State training schools, etc.

We believe that the vocational rehabilitation program is an effective means of combating juvenile delinquency and that it could extend further into this area. A survey of the training schools in the States would reveal large numbers of physically and mentally handicapped youths for whom vocational rehabilitation services would spell the difference between recidivism and permanent rehabilitation.

FRIDAY, MARCH 15, 1963.

SOCIAL SECURITY ADMINISTRATION

WITNESSES

ROBERT M. BALL, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION

VICTOR CHRISTGAU, EXECUTIVE DIRECTOR

J. S. FUTTERMAN, EXECUTIVE ASSISTANT

HENRY A. CROOKS, CHIEF, FINANCIAL MANAGEMENT BRANCH

MRS. MILDRED L. TYSSOWSKI, BUDGET OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS' INSURANCE

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	175,127	192,630	210,371
Positions other than permanent.....	633	689	710
Other personnel compensation.....	13,353	6,453	6,044
Total personnel compensation.....	189,113	199,772	217,125
12 Personnel benefits.....	13,479	14,778	16,165
21 Travel and transportation of persons.....	4,685	4,470	4,640
22 Transportation of things.....	1,076	886	1,000
23 Rent, communications, and utilities.....	22,200	25,375	27,718
24 Printing and reproduction.....	2,292	2,223	2,464
25 Other services.....	3,775	4,246	5,183
Advances to States.....	22,330	23,736	27,278
26 Supplies and materials.....	2,622	2,904	3,125
31 Equipment.....	2,346	1,589	3,116
32 Land and structures.....	366	70	77
42 Insurance claims and indemnities.....	6	5	5
Contingency reserve.....		6,660	10,000
Total obligations.....	264,289	286,714	317,900

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	34,539	35,660	37,451
Full-time equivalent of other positions.....	82	70	62
Average number of all employees.....	32,763	34,087	35,740
Number of employees at end of year.....	33,781	34,767	36,858
Average GS grade.....	5.8	5.9	5.9
Average GS salary.....	\$5,384	\$5,769	\$5,782
Average salary of ungraded positions.....	\$4,828	\$4,852	\$4,844

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Maintenance of earnings accounts.....	30,119	30,026	33,460
2. Processing OASI claims.....	97,924	95,574	99,639
3. Maintenance of OASI beneficiary rolls.....	42,117	47,580	56,038
4. Processing disability claims and maintaining beneficiary rolls.....	64,958	72,356	82,213
5. Hearings and appeals.....	5,729	7,794	9,101
6. Actuarial services.....	131	159	167
7. Administration.....	21,886	23,487	25,396
8. IRS enumeration project.....		3,469	595
9. Contingency reserve.....		6,660	10,000
Total program costs, funded.....	262,864	287,105	316,610
Change in selected resources ¹	1,425	-391	1,290
Total obligations.....	264,289	286,714	317,900
Financing:			
Unobligated balance lapsing.....	3,281		
Limitation.....	267,570	280,400	317,900
Proposed increase in limitation due to pay increases.....		6,314	

¹ Selected resources as of June 30 are as follows:

	1961	1962 adjustments	1962	1963	1964
Stores.....	763		1,027	777	799
Unpaid undelivered orders.....	1,086	-198	1,530	1,478	2,103
Advances to State agencies.....	5,665	12	6,196	6,106	6,750
Total selected resources.....	7,514	-186	8,753	8,362	9,652

INTERNATIONAL SOCIAL SECURITY ASSOCIATION MEETING

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation: Positions other than permanent.....		5	17
21 Travel and transportation of persons.....			5
23 Rent, communications, and utilities.....			10
24 Printing and reproduction.....			12
25 Other services.....			30
26 Supplies and materials.....			1
Total obligations.....		5	75

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Average number of all employees.....			2
Number of employees at end of year.....			2
Average GS grade.....			9.0
Average GS salary.....			\$7,426

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Plan the meeting (program costs, funded).....		5	25
Change in selected resources ¹			50
Total obligations.....		5	75
Financing:			
Comparative transfers from other account (-).....		-5	
Unobligated balance carried forward.....			20
New obligational authority (appropriation).....			95

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1963, \$0; 1964, \$50,000.

Mr. FOGARTY. We will now take up the request of the Social Security Administration. Mr. Ball, do you have an opening statement?

Mr. LAIRD. Mr. Chairman, I have something I would like to discuss even before we hear Mr. Ball's statement if I may.

Mr. FOGARTY. Certainly go right ahead.

DELAY IN SUBMITTING JUSTIFICATIONS

Mr. LAIRD. Before we get into this section of the hearings, I have a serious question in my mind in regard to these justifications.

I tried to get these justifications on Monday of this week. They were not in. Finally, the justifications arrived here at 9:30 this morning, on the very day that we are going to have a hearing. It just does not seem to me that this is the proper way to proceed. I personally feel that there should be some delay in this hearing at least to give our staff the opportunity of going over these justifications.

Mr. Ball, why were not these submitted to us before 9:30 this morning?

Mr. KELLY. Mr. Laird, may I make an observation for you on it?

As you know, the Secretary did address a letter to the committee, describing the reorganization of the Welfare and Social Security Administrations at the commencement of this session of Congress, and then he addressed a letter to the committee on March 13, identifying the effect that this reorganization would have on the President's budget as presented.

Mr. LAIRD. I have this letter dated March 13, which was delivered here at 6 p.m., on the 13th of March.

Mr. KELLY. Yes, sir.

Mr. LAIRD. Which was 2 days ago.

I am talking now to Mr. Ball about the fact that these justifications just arrived here at 9:30 this morning.

Mr. KELLY. Well, I just wanted to say that in the Secretary's letter, he indicated, too, that additional data would be set forth in detailed justifications, and this has been done. I regret these got up to you so late, but I would like to comment that there is really no new material in these justifications. We had prepared and submitted justifications under the old organizational structure in the President's budget as it was originally submitted. The functions and the responsibilities to be performed by the Department of Health, Education, and Welfare, in these agencies and the cost of carrying those out have only changed to the extent of a decrease of six positions and \$48,000. These new justifications are a rearrangement of the material. In the case of the one that Mr. Ball is here to testify on here today, we have taken that part of the Office of the Commissioner of Social Security that was paid from trust funds and added it to the salaries and expenses limitation paid from the old-age survivors and disability insurance trust funds for the Bureau of Old-Age and Survivors Insurance. In the reorganization process, we made a reduction of six positions and \$48,000. Other than that, there has been no adjustment that is material in relationship to the functions to be performed and the cost of performing them.

I do regret they came up late, but I do not think that we are presenting to you now a completely different program or a completely different activity.

Mr. LAIRD. Why did they come up so late? I would like to know that.

Mr. KELLY. Well, it took us a significant period of time to work out exactly how this would operate between the two new administrations and how they would function.

Mr. LAIRD. If this was as simple a thing as you say it was, just rearranging these appropriation items, I do not see why you did not have it up here in December.

Mr. KELLY. One of the reasons we did not have the changes up here in December, when the Secretary made the decision to effect the reorganization, is that he did not want to reflect the details until he had a Commissioner of Welfare and until the Commissioner of Welfare and the Commissioner of Social Security had gone over every item to make sure that we had a sound plan.

Mr. LAIRD. I have a press clipping here of December 20, which announces who is going to be the Commissioner of Welfare. It tells all about the whole reorganization in detail.

It would seem to me that it should not take a period of 3 months to make these simple transfers you outlined in the justifications.

Mr. KELLY. I think that is a fair observation.

NEW APPROPRIATION REQUIRES TRANSMITTAL FROM PRESIDENT

Mr. LAIRD. This does not have even the approval of the Bureau of the Budget—

Mr. KELLY. It does.

Mr. LAIRD. And the White House.

Mr. KELLY. It does. Yes, sir.

Mr. LAIRD. We have had no transmission from the White House with regard to this.

Mr. KELLY. Because the adjustments were of a nature that were within the confines of the President's budget, and technical only, the

Bureau of the Budget authorized us to make this presentation to the committee rather than present a formal communication from the President.

Mr. LAIRD. Really, I will have to differ with you, there, Mr. Kelly. If you take this justification that was delivered here at 9:30 this morning, there is an entirely new appropriation item in here, that has never been transmitted to Congress by the White House. If you look at the first and second pages of the appropriation, "Salaries and expenses, office of the Commissioner. For expenses necessary for the Office of the Commissioner of Welfare—" and so forth and so on, that is an entirely new appropriation item, that the White House has never submitted to the Congress.

Mr. KELLY. In submitting it to you, Mr. Laird, we did not view it as being a new appropriation, but rather as being a change in the title from the Social Security Administration to the Welfare Administration. We did obtain the approval of the Director of the Budget Bureau to make this submission to the Congress.

Mr. LAIRD. I just turned to title 31 of the United States Code, section 15, which says:

No estimate or request for an appropriation and no request for an increase in an item of any such estimate or request, and no recommendation as to how the revenue needs of the Government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment unless at the request of either House of Congress.

Now, certainly this is a new appropriation item here, that the law prohibits you from sending to us unless we request you to.

Mr. KELLY. We did not view it as such, but rather as a technical change to accommodate the modifications in the organization.

Mr. LAIRD. You have, also, another appropriation item here for the Commissioner of Social Security.

Mr. KELLY. No, we do not, sir. We have combined the appropriation for salaries and expenses paid from the trust fund portion of the Commissioner of Social Security and salaries and expenses of the Bureau of Old Age and Survivors Insurance into one appropriation for the salaries and expenses of the Social Security Administration.

Mr. LAIRD. It is not a separate appropriation in this revised budget?

Mr. KELLY. No, sir. In the President's budget, as it is submitted to you, there is an item, "Salaries and expenses, Office of the Commissioner of Social Security." We have changed that to the Commissioner of Welfare. There is an account, "Salaries and expenses, Bureau of Old Age and Survivors Insurance," and we have changed that to the Social Security Administration.

Mr. LAIRD. So this paragraph under "Salaries and expenses, Office of the Commissioner of Welfare" turns out as an entirely new appropriation.

Mr. KELLY. It is a modification of the one—

Mr. LAIRD. Modification? It is a new appropriation for a new office.

Mr. KELLY. Well, it is in lieu of the appropriation that was in the President's budget.

Mr. LAIRD. Well, Mr. Chairman, it just seems to me this is a pretty bad way to start doing business. This whole change was announced, back in—at least, it was announced in the Washington Post on the 20th of December. There have been 3 months to make what Mr.

Kelly explains now are very simple rearrangements in the justifications.

Then you find that there is an entirely new appropriation item here, that has not been sent to the committee by the Bureau of the Budget or by the White House as the law requires. I have the last transmittal here. I asked for the last transmittal from the White House. And this is an advance, informal copy of a message to be formally sent to Congress Monday. There is no mention of this appropriation.

NEW JUSTIFICATIONS

Mr. DENTON. Can I ask something here? I have a book. I thought it was a justification. I got it about a month ago. What was that?

Mr. KELLY. That was the description of the budgetary program in the terms of the old organization as it was presented in the President's budget, and all that these documents that we gave you this morning reflect is a rearrangement of that material to reflect the new organization.

Mr. DENTON. This one you gave me about a month ago is not right, then?

Mr. KELLY. Yes, in respect to the division between the——

Mr. DENTON. Is Mr. Ball the Welfare Director now?

Mr. BALL. I am Commissioner of Social Security.

Mr. DENTON. Who is the Welfare Director?

Mr. KELLY. Dr. Winston.

Mr. DENTON. Well, this deals with the Welfare Director, the one you gave me today.

Mr. BALL. Mr. Denton, as far as the old-age and survivors insurance program is concerned, the material that was furnished to you is unchanged, except for the fact that the part of the Commissioner's old office that was financed through the trust fund has been now added to the old-age and survivors insurance estimates. It has been combined with the old-age and survivors insurance material that we submitted before. There is no change in the Bureau of Old-Age and Survivors Insurance material, other than that. It amounts to 40 positions added from the Commissioner's office, combined with the old-age and survivors insurance estimates, the net result being a reduction of six positions that were previously financed from the trust fund in the Commissioner's Office.

SCOPE OF COMMISSIONER'S POSITION

Mr. LAIRD. What is the difference between the Commissioner of Social Security and the Director of the Bureau of Old-Age and Survivors Insurance?

Mr. BALL. None, Mr. Laird. We combined the two offices. Mr. Christgau, who was a Director of the Bureau of Old-Age and Survivors Insurance, has become the Executive Director of the Social Security Administration; and the Commissioner of the Social Security Administration now heads an organization that includes what was the Bureau of Old-Age and Survivors Insurance, and is no longer a bureau, but with the individual divisions reporting to the Commissioner directly, and including, as the Commissioner's Office did before, the

Bureau of Hearings and Appeals, the Office of Actuary, part of the Division of Program Research, and the Bureau of Federal Credit Unions.

Mr. DENTON. That is under you?

Mr. BALL. Yes.

Mr. DENTON. This book I have here is dealing only with welfare.

Mr. LAIRD. This is getting more confusing as time goes on, here, as far as I am concerned. I will have to read over this new set of justifications because I really do not understand it.

Mr. KELLY. Well, Mr. Laird, I think I can explain the change, rather quickly.

The Bureau of Old-Age and Survivors Insurance as an entity has been abolished and the activities of the Office of the Director have been combined with the activities of the Office of the Commissioner of Social Security. So you have the single directing level of the social security program, which reports directly to the Secretary.

Mr. LAIRD. Is this a demotion for you?

Mr. BALL. I do not consider it as such, sir. No.

Mr. LAIRD. Do you mean you have, now, nothing to do with the welfare program at all?

Mr. BALL. You are correct. Certain functions that were under the Commissioner of Social Security have been combined with other functions in the Department, and made into a new organizational unit, as a Welfare Administration.

One of the main reasons for this, Mr. Laird, has been the tremendous growth in the social security program in the last several years, which you are very familiar with. We now, in the next year, will be paying monthly checks to about 20 million people every month.

Mr. LAIRD. You are no longer in charge of the Children's Bureau?

Mr. BALL. No, sir, and I am no longer in charge of the Bureau of Family Services.

Mr. LAIRD. Those are out from under your direction?

Mr. BALL. Yes, sir.

Mr. LAIRD. So you really have taken over the OASI Bureau Directors job?

Mr. BALL. Combined with some functions that were related to the old-age and survivors insurance program, that were at the Commissioner's level, and the Bureau of Federal Credit Unions.

LOCATION OF STAFF

Mr. LAIRD. Where are you going to be? Are you going to be in Washington or are you going to be in Baltimore?

Mr. BALL. I will have an office in both places, as I have before, Mr. Laird. The main part of my operating responsibility is in Baltimore, but of course, it is necessary to be available in Washington for a great many activities with other Governmental agencies, the Congress, and the Secretary.

Mr. LAIRD. We are not moving offices over to Washington, are we?

Mr. BALL. No, sir. I was in Washington before, and I will be in both places, as I was before.

Mr. LAIRD. No people are moving to Washington?

Mr. BALL. No people are moving to Washington.

There will be the need for a small number to be in Washington more frequently than before.

Mr. LAIRD. Well I am going to go and read your new justifications.
Mr. FOGARTY. Go ahead, Mr. Ball.

GENERAL STATEMENT

Mr. BALL. Mr. Chairman, I have a rather long statement and with your permission, I would like to put it in the record and hit some highlights.

Mr. FOGARTY. All right.
(The statement follows:)

LIMITATION ON SALARIES AND EXPENSES, SOCIAL SECURITY ADMINISTRATION (TRUST FUND)

Mr. Chairman and members of the committee, it is a pleasure to meet with you to discuss our estimates for 1964.

You are, no doubt, aware that the Secretary of the Department recently announced a reorganization which makes the old-age, survivors, and disability insurance program the primary mission of the Social Security Administration. The divisions of the former Bureau of Old-Age and Survivors Insurance have become divisions of the Social Security Administration. The Bureau of Hearings and Appeals, the Bureau of Federal Credit Unions, the Division of the Actuary, and part of the Division of Program Research continue as units of the Social Security Administration.

I am continuing as Commissioner of Social Security. Mr. Victor Christgau, who as you know was Director of the Bureau of Old-Age and Survivors Insurance, joins me as Executive Director of the Administration.

The request for salaries and expenses of the Administration consolidates the Bureau of Old-Age and Survivors Insurance limitation and the Trust Fund limitation formerly included in the appropriation for the Office of the Commissioner, Social Security Administration.

Before taking up our 1964 request, I believe it would be helpful to review the background for this budget, including our operations in 1962 and the current year.

BACKGROUND OF 1964 BUDGET

Record workloads in 1962

In addition to the normal long-term increase in workloads which is due to growth of the aged insured population and of our beneficiary rolls, the amendments to the program enacted in 1961 contributed to an all-time high volume of work. One provision of the amendments alone, which made it possible for men to file for actuarially reduced benefits at age 62, resulted in the filing of 607,000 claims from men 62 to 64 and their dependents.

More than 3.4 million claims for old-age and survivors insurance benefits were filed in district offices during 1962. This was the largest number ever received in a single fiscal year. It was 28 percent higher than the number filed in 1961. Another 650,000 claims were received from the disabled and their dependents.

District offices handled more than 26 million inquiries and notices for beneficiaries and the public.

By the end of fiscal year 1962, 17.2 million individuals were receiving monthly benefits, and benefit payments exceeded a rate of \$13.7 billion a year.

Accomplishments in 1962

During this year of record workloads, we were able to keep our elapsed time for payment of claims within reasonable bounds. At the same time we were able to achieve many improvements in our service to the public, and in our administration generally.

Of particular note was the prompt completion of the one-time job of correcting the records of 3.2 million beneficiaries entitled to higher widow's and minimum benefits under the provisions of the 1961 amendments. With the use of EDP equipment, this job was accomplished more rapidly and at lower cost than conventional methods would have permitted.

Considerable improvement has been made in handling claims and payments for claimants and beneficiaries residing abroad, notably in measures to prevent payment of benefits to persons not entitled to them.

We inaugurated a system of reporting to insure the proper use of benefit payments by individuals who received benefits on behalf of others, and put in a continuing program to check the status of persons receiving benefits to verify that they continue to be eligible.

In addition, to better carry out our responsibility for keeping the public informed of their rights under the program, we instituted a method of identifying and notifying individuals whose insured status has been established and who may be unknowingly losing benefits because of failure to file timely applications. Over 100,000 individuals have filed for benefits as a result of this procedure.

Various measures have been taken to strengthen the appeals process. The Bureau of Hearings and Appeals was established as a successor to the Office of Hearings and Appeals in June 1962, and the organization of the Bureau was strengthened to permit more prompt disposition of cases, reduce backlogs, and improve the quality of decisions. Increased emphasis has been given to the formal separation of the adjudication and appeals functions of the administration.

Progress was made in the use of EDP equipment and systems for such functions as payroll and leave accounting.

As one step in the long-range plan to fully integrate, simplify, and speed up the entire claims process, we completed the installation of a data communications system which links together all offices in the country.

To maintain our standards of service to the public under the growing program, 17 additional district offices were opened.

At Baltimore, construction of the annex to the Social Security Building was completed, and last August disability operations, formerly housed in several buildings in Baltimore City, were consolidated at Woodlawn.

1963 operations

Our overall workload in 1963 is expected to be almost 7 percent higher than in 1962. However, the return in the first 6 months of fiscal year 1963 to the normal pattern of seasonally low claims receipts, together with improved staffing, enabled us to progressively reduce the high levels of overtime which had been required by the record loads in 1962.

At the same time, we were able to reduce our pending loads to still more satisfactory dimensions, so that we entered the seasonally higher workload period in January in relatively good shape.

OASI claims pending were reduced from 386,000 at the beginning of the fiscal year by more than 30 percent to 265,000 at the end of December.

Disability claims pending were reduced from 147,000 to 120,000 early in January, or nearly 20 percent.

Over the same period, pending hearing requests were reduced from 11,600 to 9,500, reflecting significant progress as a result of the measures taken to improve the appeals process.

This current seasonal peak is so pronounced that it is not economical to staff for it, and we are again working a moderate amount of overtime. Total overtime for the year, however, is expected to be nearly 60 percent less than in 1962.

To absorb part of the cost of the pay raise, employment plans for the current fiscal year have been revised so that the staff, at the end of the fiscal year, will be over 1,000 employees less than budgeted for fiscal year 1963. Procedures for a continuous review of the need for filling vacant positions have also been put into effect.

APPROPRIATION REQUEST, FISCAL YEAR 1964

Workloads

Workload (excluding State agencies) in 1964 is expected to increase by 5.4 percent over the current year.

Approximately 3.2 million retirement and survivors' claims will be filed in both fiscal year 1963 and 1964.

Receipts of disability claims, including dependents, will increase from 703,000 in 1963 to 740,000 in 1964.

The most significant increases in work in 1964 are in those activities relating to the servicing of the beneficiary rolls. As these rolls grow in size from year to year, the volume of work involved in the processing of suspensions, terminations, adjusted awards, and changes of address likewise increases. Increases in this work on the order of 15 percent over the previous year in 1963 and 1964 reflect the rapid growth in beneficiary rolls and the related work resulting from the 1960 and 1961 amendments.

Work performed in the various State agencies, which is financed through advances to the States from this appropriation, is expected to increase by more than 4 percent in 1964.

In the early part of fiscal year 1964, we expect to finish the initial job of supplying account numbers for taxpayers' use in connection with the new IRS income tax enforcement procedure. The funds requested for this work in 1964 are based on an estimated 412,000 referrals to be received from IRS in that year—principally taxpayers who fail to indicate their account numbers on their returns for calendar year 1962 or their estimates of income for 1963.

In line with the improvements in the appeals organization we plan on continuing reduction of the pending load of appeals cases, with corresponding reduction in the time claimants must wait for decisions. Our goal for the end of the present fiscal year is 7,700 as compared to 9,000 now pending. For 1964 we have set an objective of a further reduction to 3,700 with an average processing time of about 90 days as compared to 6 months at present.

Improvement in productivity

The appropriation request for fiscal year 1964 reflects continued efforts to achieve more effective utilization of manpower.

Output per employee in fiscal year 1964 is budgeted to be 8 percent greater than fiscal year 1962.

If the work estimated for fiscal year 1964 had been budgeted at production rates experienced in fiscal year 1962, the appropriation request for 1964 would have included 2,900 more man-years and about \$18.5 million more in funds.

Part of the increased output is expected to result from further application of EDP methods to maintenance of the beneficiary rolls and other operations and other improvements in procedures.

If there are no substantial program changes in fiscal year 1964, the on-duty staff should on the average be more experienced and better trained than during periods when large-scale recruitment is required to handle very heavy and sharp workload increases resulting from legislation.

The budget for 1964 also reflects a considerable reduction in the amount of overtime necessary to keep current with workload receipts. In fiscal year 1962, because of the heavy workloads resulting from the 1961 amendments, 1,978 man-years of overtime were used. This has been reduced to 834 man-years in 1963 and 495 man-years in 1964. Overtime budgeted for fiscal year 1964 will be used mostly for handling seasonal peaks in workloads.

Funding requirements

In 1963 our estimated obligations will be \$277,150,000 against the basic and proposed supplemental appropriations, and \$3,340,000 against contingency funds which were made available for handling unbudgeted work involved in supplying identification numbers to taxpayers for income tax purposes.

For 1964 we are requesting a basic appropriation of \$308,454,000 together with a contingency fund of \$10 million.

The overall increase is thus \$31,304,000, of which \$3,340,000 restores the contingency fund to \$10 million, and the remainder, \$27,964,000 represents an increase in estimated obligations.

The proposed increase in estimated obligations breaks down to \$24.5 million for our own operations and \$3.5 million for advances to the 56 State agencies which are under contract to make determinations of disability.

The increase for our operations of \$24.5 million is the net of numerous plus and minus factors, of which the most significant are (1) mandatory increases, which account for \$11.9 million. Of this amount \$7.7 million is to finance the added costs in 1964 of the recently enacted pay raise and postal rate increase. The remaining \$4.2 million is to finance promotions of trainees to journeyman grade levels in accordance with training agreements, statutory within-grade promotions, payrolling the staff for 2 days in excess of the regular 52 weeks, and carrying staff positions added in 1963 on a full-year basis; (2) a 5.4-percent increase in workloads, exclusive of work performed in the State agencies, and all related costs of adequately equipping, housing, and servicing the staff on a continuing basis requires an aggregate increase of \$15.7 million. Against this increase we are projecting savings of 564 man-years and \$3.1 million for increased productivity. The net cost of the workload increase and related needs for administering the program is thus approximately \$12.6 million.

We have eliminated six positions in the Administration activity under the former limitation for the Office of the Commissioner, reducing the budget as originally submitted by six positions.

The \$3.5 million increase in advances to States will provide for (1) the estimated 4.2-percent increase in workload volume over 1963, (2) mandatory salary increases for State agency personnel, (3) higher cost of acquiring necessary specialist

medical examinations and vocational evidence for supporting disability determinations, and (4) the payment by all States of travel expenses of applicants in securing consultative examinations requested by the Government.

PENDING RECLASSIFICATIONS

This request does not include funds which will be necessary as the result of Civil Service Commission approval of job standards for technical claims positions in district and payment center offices. These standards were pending in the Commission when our estimates were submitted. At that time the Bureau of the Budget assured us that if the Civil Service Commission acted favorably on the proposed standards, it would support a request to amend the 1964 appropriation to finance the costs of the reclassifications that would result from the revision in job standards. This amendment is now in the process of clearance.

APPROPRIATION FOR REIMBURSEMENT OF TRUST FUND FROM THE GENERAL FUND FOR MILITARY SERVICE CREDITS

In your 1963 committee report you requested that the Bureau of the Budget, this Department, and the Railroad Retirement Board get together and determine what adjustments should be made between the general fund, the railroad retirement trust funds, and the old-age and survivors insurance trust fund with regard to military service credits. We understand that the Bureau of the Budget will propose legislation to revise the basis for transferring funds from the general fund to the Railroad Retirement Board for credit given to workers' accounts for time spent in military service. The legislation will propose to make reimbursements to the railroad retirement and the OASDI trust funds over a 10-year period. A technical amendment to the Social Security Act will therefore be required because present law requires that payments to the OASDI trust funds for credits extended before fiscal year 1957 be made by fiscal year 1969. If these proposals are enacted, a supplemental appropriation request of approximately \$63.4 million for the initial payment to the OASDI trust funds will be transmitted to Congress.

CONSTRUCTION

Before concluding I would like to report briefly on the status of our land acquisition and building program in Baltimore County. The purchase of additional land adjacent to the Social Security Building, which Congress authorized in the "Salaries and expenses" appropriation for fiscal year 1962, has been completed. We were able to acquire 60 acres for little more than the cost originally estimated for 27.

The construction of the annex building was completed early this fiscal year and the disability operations were moved to Woodlawn. Immediately after completion of the annex, construction was begun on the addition, for which \$4 million has been appropriated. This last piece of construction is scheduled for completion in the spring of 1964. The new construction will permit release of practically all commercial space in Baltimore which we now occupy.

CONCLUSION

In spite of the increased complexity of administering the program over recent years brought about by extensions of coverage, the inclusion of the risk of disability, retirement before age 65 with an actuarially reduced benefit, an improved and more equitable retirement test, and other program improvements which resulted in a better system for insuring the economic security of the Nation, this program continues to be administered at very low cost. In fiscal year 1964, all administrative costs for this Department and the Treasury Department will amount to only 2.3 percent of benefit payments. This includes all costs of tax collections and wage record maintenance as well as the expenses connected with processing claims and paying monthly benefits.

APPENDIX TO OPENING STATEMENT

THE OASDI PROGRAM

The old-age, survivors, and disability insurance program was established by title II of the Social Security Act of 1935 and revised by major amendments in 1939, 1950, 1952, 1954, 1956, 1958, 1960, and 1961. Through this series of amendments to the act, the program now provides protection to about 90 percent of the total labor force and their families against the loss of earnings because of old-age, disability, and death. Tax contributions from employers, employees, and self-employed and members of the Armed Forces are deposited in the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, out of which benefit payments and administrative costs are paid, so that the budget for administrative expenses does not enter into the determination of the balance of the general fund budget.

The effect of the series of legislative changes coupled with the normal growth in the number of persons attaining insured status under the act is reflected in the increase in the number of beneficiaries and amount of benefit payments in the table below:

Old-age and survivors insurance

[In millions]

Fiscal year	Beneficiaries in current pay status (end of year)	Benefits paid during year	Fiscal year	Beneficiaries in current pay status (end of year)	Benefits paid during year
1941.....	0.1	\$64	1961.....	14.7	\$11,180
1945.....	1.1	240	1962 actual.....	16.1	12,657
1950.....	2.9	727	1963 estimate.....	17.5	13,865
1955.....	7.4	4,333	1964 estimate.....	18.6	14,648
1960.....	13.7	10,270	1980 estimate.....	26.0	124,673

¹ Assuming that earnings will continue to rise in the future as they have during the past century and assuming no change in benefit provision, in calendar year 1980 OASI benefit payments would be \$24,673,000,000 and disability benefit payments would be \$1,692,000,000.

If, on the other hand, it is assumed that average annual earnings in the future will continue at about the levels prevailing in 1959, OASI benefit payments in 1980 are estimated at \$22,688,000 and disability payments at \$1,550,000,000.

Beginning in fiscal year 1958, disability insurance benefits were payable to disabled workers age 50 and over; in fiscal year 1959, dependents of these workers were made eligible to receive benefits; and in fiscal year 1961, the age 50 requirement for disabled workers was removed. The growth in the amount of disability benefits paid and the number of beneficiaries is shown below:

Disability insurance

[In thousands]

Fiscal year	Beneficiaries in current pay status (end of year)	Benefits paid during year
1958.....	200	\$168,000
1959.....	361	339,000
1960.....	522	528,000
1961.....	897	704,000
1962 actual.....	1,152	1,011,000
1963 estimate.....	1,377	1,167,000
1964 estimate.....	1,580	1,231,000
1980 estimate.....	1,763	1,692,000

¹ Assuming that earnings will continue to rise in the future as they have during the past century and assuming no change in benefit provision, in calendar year 1980 OASI benefit payments would be \$24,673,000,000 and disability benefit payments would be \$1,692,000,000.

If, on the other hand, it is assumed that average annual earnings in the future will continue at about the levels prevailing in 1959, OASI benefit payments in 1980 are estimated at \$22,688,000,000 and disability payments at \$1,550,000,000.

At the end of June 1962, the average monthly benefit was \$76 for all retired workers who were receiving benefits. The average monthly benefit payable to disabled workers at the end of June 1962 was \$90.

Estimated average family benefits in current payment status, June 30, 1962

Family group:	All families
Retired worker only	\$72
Retired worker and aged wife	127
Aged widow only	65
Widowed mother and two children	191
Disabled worker only	88
Disabled worker, young wife, and one or more children	192

ADMINISTRATION OF THE PROGRAM

Direct account number and claims service is provided to the public through the facilities of 612 district offices (as of January 1963 located in the principal cities in each State and Puerto Rico) and by means of regularly scheduled visits to over 3,600 resident and contact stations in smaller communities. In addition to the district offices there are seven payment centers located in different sections of the country. The Baltimore Center services disability claims for the entire Nation. These payment centers certify monthly the benefits paid under the program. The administrative offices and records center are located in the Social Security Building, Baltimore County. In addition, there are contracts for the services of 56 States and territorial agencies in making disability determinations. All of these organizational units are under the direction of the Social Security Administration.

WORKLOADS

The volume of work received in any year is not subject to control, but is dictated by provisions of the law and by demographic, economic, and other related factors. Indicated below are estimates of some major workloads that will be received by the various organizational units in fiscal year 1964.

Workload	Organizational unit	Amount
Original and duplicate account number applications	District offices	6,850,000
Earnings items received for processing to individual accounts	Records center	290,000,000
Inquiries on claims matters	District offices	15,100,000
Claims applications for retirement and survivors benefits	do	3,248,000
Claims applications for disability benefits from disabled workers and dependents	do	742,900
Beneficiaries in current pay status:		
Old-age and survivors insurance (end of year)	Payment centers	18,551,000
Disability (end of year)	do	1,580,000
Claims on which disability determinations need to be made	State agencies	389,200

INTERNATIONAL SOCIAL SECURITY ASSOCIATION MEETING

Mr. Chairman and members of the committee, last year the Congress authorized the use of up to \$11,000 from the fiscal year 1963 appropriation to the Office of the Commissioner to prepare for the next general meeting of the International Social Security Association which will be held in Washington, D.C., in September 1964.

The estimated cost for the United States to host this meeting is \$100,000. About \$5,000 will be used in fiscal year 1963 for initial planning for the meeting. An appropriation of \$95,000 is requested for fiscal year 1964 with an authorization that funds remain available through fiscal year 1965.

The International Social Security Association is an international association of social security organizations representing 82 countries with 190 member institutions covering over 450 million insured persons. Headquarters of the Association are in Geneva, Switzerland. The Social Security Administration became a member of the Association in 1957 and is represented on several of the Association's technical committees. The Commissioner of Social Security serves on the executive body of the Association.

The general conference of ISSA is known as the General Meeting. It meets every 3 years. In past years it has met in the following countries:

1951	Vienna, Austria.
1953	Paris, France.
1955	Mexico City, Mexico.
1958	London, England.
1961	Istanbul, Turkey.

The estimate of \$100,000 for the cost of the meeting was developed in consultation with the Department of State. It covers such items of expense as interpreter services; office supplies; badges and passes; programs, speeches, papers, and informational material in the five official languages of the meeting (English, French, German, Spanish, and Russian); a small part-time staff to work on program planning and preconference arrangements; official receptions; and secretariat space. The estimate is based on the assumption that conference space will be furnished by the Department of State.

It is believed that the United States will benefit in many ways from the holding of this meeting in Washington. Social security in the United States is not well understood by people in other countries. This general meeting of ISSA will offer an opportunity for key officials to observe our program and activities. It is estimated that approximately 500 delegates—many of them accompanied by their wives—will attend, so that total attendance will approximate 800 persons.

REORGANIZATION

Mr. BALL. We have already discussed to some extent, the reorganization within the Department.

I would like to make the point that the old-age and survivors and disability insurance program, which is now the primary mission of the Social Security Administration, has, as a result of this reorganization, been raised to the first level within the Department. So that the program now reports directly to the Secretary.

The divisions of the former Bureau of Old-Age and Survivors Insurance have become divisions of the Social Security Administration. What we have done is to combine the administrative level of the Bureau of Old-Age and Survivors Insurance and the Commissioners Office of Social Security.

The Bureau of Hearings and Appeals; the Bureau of Federal Credit Unions; the Division of the Actuary; and part of the Division of Program Research, which were in the Office of the Commissioner of Social Security, will continue as parts of the Social Security Administration.

You will note that with the exception of the Bureau of Federal Credit Unions, those are all units that are concerned exclusively with the social security program, so they are kept together. I am continuing as Commissioner of Social Security, and Mr. Victor Christgau who, as you know, was the Director of the Bureau of Old-Age and Survivors Insurance, joins me as Executive Director of the Administration.

GROWTH OF PROGRAM

One of the reasons for raising the status of the old-age and survivors insurance program to this first line in the Department is the tremendous growth of this program in recent years. During the next year, we will be paying monthly benefits to an average of pretty close to 20 million people; checks will be going to about 20 million people every month. There are 90 million individuals now insured under this program. We will take about 4 million claims during the course of next year, and pretty close to 30 million people will visit, in person, the 612 district offices and 3,600 contact stations of the Social Security Administration around the country.

Now, that is in contrast, to 10 or 11 years ago, to a time when, instead of 20 million beneficiaries, we had 2.9 million beneficiaries on the rolls in 1950 and took around 900,000 claims instead of 4 million as we will next year.

INCREASES REQUESTED FOR 1964

The request for salaries and expenses of the Administration, as Mr. Kelly said, consolidates the Bureau of Old-Age and Survivors Insurance limitation and the Trust Fund limitation that was formerly included in the appropriation for the Office of the Commissioner of the Social Security Administration. In 1963 our estimated obligations will be \$277,150,000 against the basic and proposed supplemental appropriations, and \$3,340,000 against contingency funds which were made available for handling unbudgeted work involved in supplying identification numbers to taxpayers for income tax purposes.

For 1964 we are requesting a basic appropriation of \$308,454,000 together with a contingency fund of \$10 million.

The overall increase is thus \$31,304,000, of which \$3,340,000 restores the contingency fund to a full \$10 million and the remainder, \$27,964,000 represents an increase in estimated obligations.

The proposed increase in the estimated obligations breaks down to \$24.5 million for our own operations and \$3.5 million for advances to the 56 State agencies which are under contract to make determinations of disability.

The increase for our operations of \$24.5 million is, of course, the net of numerous plus and minus factors of which the most significant are the following:

NEED FOR INCREASES

(1) Mandatory increases—mostly related to statutory salary requirements—which account for \$11.9 million. Of this amount, \$7.7 million is to finance the added costs in 1964 of the recently enacted pay raise and postal rate increase. The remaining \$4.2 million is to finance promotions of trainees to journeyman grade levels in accordance with training agreements that we have with the Civil Service Commission, statutory within-grade promotions, payrolling the staff for 2 days in excess of the regular 52 weeks, and carrying staff positions added in 1963 on a full-year basis.

The second major part is a 5.4-percent increase in workloads—this is exclusive of work performed in the State agencies—and all related costs of adequately equipping, housing, and servicing the staff on a continuing basis, which requires an aggregate increase of \$15.7 million. Against this increase we are projecting savings of 564 man-years and \$3.1 million for increased productivity. So the net cost of the workload increase and related needs for administering the program is thus approximately \$12.6 million.

As indicated earlier, by the combination of the Commissioner's Office and the Bureau offices in OASI, we were able to eliminate six positions in the administration activity under the former limitation for the Office of the Commissioner, reducing the budget as originally submitted by six positions.

The \$3.5 million increase in advances to States will provide for—

- (1) An estimated 4.2 percent increase in workload volume in 1964 over 1963;
- (2) Mandatory salary increases for State agency personnel;
- (3) Higher cost of acquiring necessary specialist medical examinations and vocational evidence for supporting disability determinations; and

(4) The payment by all States of travel expenses of applicants in securing consultative examinations requested by the Government.

This budget reflects intensified efforts to improve manpower utilization in accordance with Administration and Department objectives. The end-of-year staffing authorized in this year's appropriation has been reduced by over 1,000 in order to absorb as much of the costs of the recently enacted Pay Reform Act as is possible. During 1963 and 1964 our plan, reflected in this request, is to achieve an increase in the overall output of the personnel of 8 percent as compared to 1962, the last full year of actual experience. We believe we will realize this objective because of a better trained and more experienced staff, and improved equipment and facilities.

Mr. FOGARTY. Thank you, Commissioner.

The limitation for 1964, including the pay act supplemental, is \$286,714,000 and the request for 1964 is \$317,900,000, an increase of \$31,186,000, and 1,791 positions. About \$12 million of the increase is for mandatory cost increases.

Mr. BALL. Yes, sir.

INTERNAL REVENUE ENUMERATION PROJECT

Mr. FOGARTY. You are asking for \$3,340,000 to restore the contingency fund to \$10 million. This need arises because you used \$3,340,000 to finance the Internal Revenue Service enumeration project. What is this project?

Mr. BALL. That is, Mr. Chairman, the new requirement under the income tax laws where banks and other payers have to supply the social security number in connection with interest and dividend payments, and also everyone has to put his number on his return. It is a part of a drive on the part of the Internal Revenue Service to have individuals identified in order to make the administration of the income tax laws more effective.

Mr. FOGARTY. Why should not Internal Revenue Service pay for it?

Mr. BALL. They should. It is our understanding that the general fund will reimburse the trust fund in this amount after the fact—after we know exactly what it costs. A request will be submitted for reimbursement of the trust fund.

INCREASED PERSONNEL TO MAINTAIN OASI ROLLS

Mr. FOGARTY. Over half of the requested increase in personnel is for maintenance of OASI beneficiary rolls. Why do you need that money?

Mr. BALL. The fastest growing workload, Mr. Chairman, in the OASI program is the number of beneficiaries on the rolls. Next year's workload—next year's rolls—will increase about 15 percent. This comes about because up into the next century this program will add more beneficiaries than will leave the rolls. There are more old people who will come on the rolls than will die and you will have a continuing growing load, and this is also true of disability. So, the numbers that you have on the rolls determines one of our major work-

loads, the number of changes we have to make in the rolls. I think it might be interesting to you to recognize that during the course of a year about half the people on the rolls have some action taken in relation to their account. Out of the 18 million this year there will be 8 or 9 million for whom we will have to make a change of address, or we will have to suspend benefits, or terminate the benefits, or take some action in relation to them. And, therefore, this process of maintaining those rolls, which involves these changes and a recertification to the Treasury every month for making out a check, is a big load for the organization and the fastest growing one.

INCREASE FOR ADMINISTRATIVE ACTIVITIES

Mr. FOGARTY. You are requesting an increase of \$712,000 and 90 positions which you say on page 10 are "not directly involved in handling measurable workloads." Why is this necessary?

Mr. BALL. These are a total of 96 staff positions that are in various activities. Let me illustrate with some of them.

Fifty-four of this group are in administrative activities. In that group, for example, we are adding seven more assistant regional representatives. These are the men who supervise networks of offices out around the country, and the number of offices and the workload has grown to the extent where we need a few more of them to provide proper supervision in this area.

INCREASED RESEARCH PERSONNEL

Now, 14 of these positions are in the area of expanding research. We have in this group of 14, for example, 7 sociologists and 3 actuaries and 3 statisticians. I could talk to this at some length.

First, the actuary. We have in the actuarial area—in the actuarial part of the job not only the matter of making the cost estimates for the program itself, which are so fundamental to the sound financing of the program, but they, together with the economists and statisticians, develop the workloads on which our fiscal management program is based. The question of how much work we are going to have next year and the year after is to a considerable extent a matter of the number of insured people, the application of death rates to the number of insured, the retirement and disability rates, and various actuarial factors of that kind. We have been quite shortstaffed in that operation.

We also have several studies of a more basic research nature in process and contemplated that I think are really very important to the evaluation of this program; I should like, if I could, to illustrate with one or two. We have, together with our own staff and Johns Hopkins University, as an illustration, in their Public Health school, currently started on an evaluation of the disability program from the standpoint of taking a group whose claims have been disallowed, but still are somewhat borderline, and those that have been allowed, and evaluating rather fundamentally our methods of making disability determinations, and also considering the social and economic effects on the people who have been disallowed. This project has both an administrative impact and perhaps a program impact—perhaps a legislative impact. We have also in the disability area a study with

George Washington University School of Law where we are comparing the determinations of disability and the whole approach to disability determinations under our program with other disability programs—railroad retirement, veterans, private industry—to see what the significant differences are and where, perhaps, modifications might be made in our methods.

We have a program that is in a pilot stage for examining into the area of representative payees. With these large numbers of people who are receiving benefits there are some among them who are not able to handle their own funds and over the years, for semisenile people, for children who do not have a near relative, we have had to seek out a person to receive payment on their behalf. Frequently there is no legal guardianship situation. Well, this has become so major and important an item that we have started a fundamental survey of how the present policy and procedure is working, with the possibility of making some modifications in this representative payee approach.

COST OF RECRUITMENT ACTIVITIES

Mr. FOGARTY. You are asking for an increase of \$657,000 for recruitment activities. Why do you need an increase of this size for recruitment?

Mr. BALL. This is in comparison with what we spent last year, Mr. Chairman, and reflects the fact that more people will be hired in the coming year than in the past. The recruitment activities involve training, equipping, and so on, and are not merely what the word would mean in a narrow sense. It is everything that goes into getting a person into production. Other intermittent costs are also in this figure.

Mr. FOGARTY. What are you spending this year?

Mr. FUTTERMAN. The end of the year figure in this year is about at the level that we entered—as a matter of fact, somewhat less. So recruitment at least for the purpose of adding to the numbers of staff rather than just replacing is nonexistent this year. We are not increasing the size of our staff this year.

Mr. FOGARTY. How much are you spending in 1963? You are asking for an increase of \$657,000 over what base figure?

Mr. KELLY. May we put our figure and analysis in?

(The information follows:)

RECRUITMENT AND OTHER INTERMITTENT COSTS

An estimated \$3,031,326 will be obligated in fiscal year 1963 for recruitment and other intermittent costs. The costs that are classified under this category are for objects of expense other than personal services and represent investments in personnel and equipment that are expected to return the value of the original expenditure over a period of years rather than just in the year in which the expenditure was made. Costs related to recruiting for replacement of vacancies or for new positions such as travel to training classes in Baltimore and regional training centers, change of station travel, transportation of household goods, and equipment for new positions make up about \$2.1 million of the estimated \$3 million. The remaining amount covers: (1) Travel to training sessions for other than new employees; (2) periodic expansion of files for longer-range workload needs; and (3) special purpose equipment such as duplicating machines, dictating equipment, mail inserting and sealing machines and other types of office equipment designed to improve efficiency of operations.

The increase of \$607,000 in costs for recruitment and other intermittent expenses in fiscal year 1964 is principally for special purpose equipment. The largest items are microfilm readers for the Administration's earnings-records operations to

relieve present congestion in the use of this equipment and equipment for conference rooms and special interviewing rooms now authorized district offices under GSA space standards.

PAYMENTS TO STATES UNDER DISABILITY PROVISIONS

Mr. FOGARTY. In total, how much is in the 1964 budget for payments to States under the disability provisions of the act?

Mr. BALL. \$27 million.

Mr. FOGARTY. How much of an increase is this over 1963?

Mr. BALL. \$3.5 million.

Mr. FOGARTY. Will you place in the record a table showing the amount of these payments for every year since this program started through the budget for 1964, and include in the same table the number of people examined, the average unit cost per medical examination; the total number of persons referred to State vocational rehabilitation agencies, and the number accepted for service?

Mr. BALL. Yes, sir.

(The information follows:)

State agency operations

Fiscal year	Funds advanced to State agencies	Number of cases for which consultative medical examinations purchased ¹	Medical examination cost per case
1955.....	\$709,221	None	-----
1956.....	1,676,443	846	\$18.50
1957.....	4,457,053	13,793	23.71
1958.....	7,342,143	68,365	26.41
1959.....	11,239,697	95,198	30.96
1960.....	14,070,648	149,116	36.00
1961.....	18,686,867	186,513	39.07
1962.....	22,329,723	227,085	42.60
1963 estimate.....	23,736,086	255,164	44.10
1964 estimate.....	27,277,716	270,604	46.00

¹ Because of variations in ordering and billing practices among medical sources or among State agencies, for the sake of producing comparable data from State to State, agencies do not report the actual number of consultative examinations purchased but rather the number of cases in which such examinations were purchased.

Disability program rehabilitation data ¹

	Number of applicants called to the attention of State VR Agencies during period	Number accepted for services	Number rehabilitated
Fiscal year 1962.....	519,643	² 12,505	4,657
Cumulative through June 1962.....	2,238,600	62,300	21,200

¹ Because of changes in the data collection system since the beginning of the program data are not available for each single fiscal year on a comparable basis.

² Includes 7,470 newly accepted as result of referral and 5,035 already on rehabilitation rolls.

MEDICAL ADVISERS AND VOCATIONAL CONSULTANTS

Mr. FOGARTY. On page 49 you say, "Use of medical advisers and vocational consultants began during fiscal year 1963 on a smaller scale growing into its expected full use during 1964." What is this all about?

Mr. BALL. Mr. Chairman, the general direction of court decisions in the last 2 or 3 years in the disability program has been to put a greater emphasis upon vocational factors in the determination of disability as well as medical factors. We have also recognized the increasing importance of having expert testimony on what kind of a job this particular individual could do and relating that to his general medical condition.

Mr. FOGARTY. What will it cost in 1963 and how much is budgeted for 1964?

Mr. BALL. The entire increase is \$263,677. The amount of \$146,000 for vocational consultants is new in 1963, Mr. Chairman, and the remainder of the \$263,677 is for medical consultants. This also is related to the hearing process—that is, the hearing examiner asks a medical expert a series of questions that become part of the record in his hearing. We have been doing that now for a year or two.

OPERATIONS RESEARCH

Mr. FOGARTY. On page 54 you mention the new field of operations research? What is this, what will it cost, and why is it necessary?

Mr. BALL. We have during the last year and a half had a contract with Dunlap Associates, who are experts in the operations research area. We are right now considering whether to extend that contract for another year. The cost of the current year, I believe, is \$187,000 and if we were to enter into a contract for next year it is \$178,000—in this area—about the same.

Mr. FOGARTY. This has been going on for some time, has it not?

Mr. BALL. Yes.

REVIEW OF REFEREE'S DECISIONS

Mr. FOGARTY. On page 47 you say, "The review of hearing examiner actions is a new workload." Tell us about this. What is new about this?

Mr. BALL. This is a function that is now going to be performed by the Appeals Council in the new Bureau of Hearings and Appeals where they are going to take the decisions that the hearings examiners have themselves made and review them—not as individual actions, but from the standpoint of general conformance to policy and the possibility of need for additional training or modifications in instructional materials. This was to an extent, but a much lesser extent, once performed by the old Bureau of Old-Age and Survivors Insurance.

Mr. FOGARTY. How much is it costing in 1963?

Mr. BALL. I don't think it has been instituted yet, Mr. Chairman. If so, it has just barely started. Is there a figure on that?

Mr. KELLY. You expect 2,350.

Mr. BALL. In 1963, yes.

Mr. FOGARTY. Supply for the record what is for 1963.

(The information follows:)

COST OF REVIEW OF REFEREE'S DECISIONS IN FISCAL YEAR 1963

The budgeted cost for this new workload for the Bureau of Hearings and Appeals is \$63,740 in fiscal year 1963. This additional function was scheduled to start in the latter part of the fiscal year. The 1964 budgeted cost on a full-year basis is \$221,910.

Mr. FOGARTY. There was nothing in last year's justifications, was there?

Mr. BALL. No.

Mr. FOGARTY. To go back to page 6, under "decreases," you say, "For higher output due to improved use of staff and equipment." Under that the "other objects," which I assume is equipment, is shown as a minus decrease of \$158,773. In other words, an increase instead of a decrease. Is that not so?

Mr. BALL. \$158,000 is an increase, Mr. Chairman, from other objects, but the net reduction attributable to higher output and equipment is \$3,051,000.

Mr. FOGARTY. Mr. Denton.

NEW JUSTIFICATIONS

Mr. DENTON. I am a little bit confused about these justifications, too. About a month ago I was given justifications for social security and today I have been presented with this yellow volume which has a roman numeral XI and says, "Social Security Administration." This is the same one that I had before, is it not?

Then I have another one about the Welfare Administration. Is that the one that just came out?

Mr. BALL. Yes. That one that just came out today will, I guess, be heard Tuesday.

Mr. DENTON. What I read is not applicable, I take it.

Mr. BALL. No. The Welfare Administration is entirely separately organized.

Mr. DENTON. Your justifications have been in all the time. There is nothing wrong with your justifications?

Mr. KELLY. Except we submitted today, sir, this statement.

Mr. FUTTERMAN. \$317,000,000 of the Bureau of Old-Age and Survivors Insurance request you had all along. What we have done today was present a statement that would add \$554,000, or transfer \$554,000, formerly budgeted at the level of the Office of the Commissioner of the Old Social Security Administration out of trust fund money.

Mr. DENTON. What was it transferred to?

Mr. FUTTERMAN. To the new organization—the Bureau of Old-Age and Survivors Insurance is eliminated and the Social Security Administration, as Mr. Ball explained, encompasses it as well as the Office of the Actuary, the Bureau of Hearings and Appeals, and the Bureau of Federal Credit Unions at the first level.

Mr. DENTON. But you transferred this half million from what to what?

Mr. BALL. That amount was the trust fund-financed part of the old Office of the Commissioner of Social Security appropriation. The Commissioner of Social Security's trust fund authorization has been

consolidated with that of the Bureau of Old-Age and Survivors Insurance.

Mr. DENTON. It is a bookkeeping transaction. You transferred the operation of your old office to your new office.

Mr. BALL. That's right.

Mr. DENTON. Now, all this money is paid out of the trust fund?

Mr. BALL. Yes, sir.

SIZE OF TRUST FUNDS

Mr. DENTON. How much do you have in those trust funds now?

Mr. BALL. Mr. BALL. It is right around \$20 billion.

Mr. DENTON. You have two separate funds, as I remember. One is for old-age and survivors insurance and the other for total permanent disability.

Mr. BALL. That's right.

Mr. DENTON. And how much is in each fund?

Mr. BALL. The disability fund has a little over \$2 billion. I will supply the exact figure. The OASI fund has around \$18 billion.

Mr. DENTON. That fund has been going down, has it not?

Mr. BALL. Yes. In recent years the OASI fund has declined slightly. The disability fund has been going up, somewhat.

Mr. DENTON. Would you put the figure in for the last 5 years so we can show how much it is going up and down?

Mr. BALL. Surely.

(The figures follow:)

Balances in OASI and DI trust funds, fiscal years 1958-62

[In millions]

Fiscal year	OASI trust fund at end of year	DI trust fund at end of year
1958.....	\$22,813	\$1,099
1959.....	21,541	1,667
1960.....	20,829	2,167
1961.....	20,900	2,504
1962.....	19,626	2,507

TRUSTEES' ANALYSIS OF TRUST FUND SITUATION

Mr. BALL. While you are on that point, Mr. Denton, it might be clearer in the record if I pointed out that the trustees have just filed a new report on the situation of those trust funds and made their usual predictions for the next 5 years. You will be interested to know that the OASI fund will increase each year in the next 5 years with the exception of the third year when it will decline slightly.

The disability fund on the other hand will start to decline. That has been rising, and the trustees make a recommendation in their report that, at the time of the next contribution increase in social security in 1966, there be a slight reallocation between the two funds which will bring both of them into better balance. What happened was an improvement in the OASI total actuarial situation, and a slight decline on the disability side. By transferring, without increasing the total contributions, it is feasible to put them in better balance.

Mr. DENTON. Is that report too large to put in the record?

Mr. BALL. I would guess—it is a hundred pages or so. It will be printed by the Congress.

Mr. DENTON. Could you do this for us? Could you give us their prognostication about how the funds will be in the next 2 or 3 years and also their recommendations? Could you summarize that for the record?

Mr. BALL. I would be happy to.
(The information follows:)

SUMMARY OF TRUSTEES' ANALYSIS OF THE TRUST FUND SITUATION AND THEIR RECOMMENDATIONS

The following are two excerpts from the 23d Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund. One presents an analysis of the actuarial status of the two trust funds, including a long-range projection of the progress of the funds. The other summarizes the conclusions drawn and makes recommendations for action to be taken to assure the soundness of the funds.

ACTUARIAL STATUS OF THE TRUST FUNDS

Old-age, survivors, and disability insurance benefit payments will increase for many years—not only in dollars but also as a percentage of taxable payroll. Long-range estimates are needed, therefore, to show how much the cost is likely to increase and to indicate whether the scheduled tax rates are adequate.

The cost of benefits to aged persons, which constitute almost 85 percent of the total cost of the program, will rise for several reasons. The U.S. population aged 65 and over will, over the long range, almost certainly become a larger proportion of the total population. This will result, in part, because the present aged population is made up of the survivors from past periods when death rates were much higher than they are now. Also, after the turn of the century, the larger birth cohorts of the 1940's and 1950's will be attaining retirement age. Thus, in the future, relatively more persons, both in total and in each cohort, will attain age 65 and older ages. It is recognized that the question of whether the population will become relatively much older in the future depends to a large extent on fertility (and not only on mortality experience). However, over the very long-distant future, it seems unlikely that fertility will be so high (and remain so high) that aging of the population will not occur.

The cost of the program is closely related to the ratio of the population aged 65 and over (potential beneficiaries) to the population aged 20–64 (potential contributors). At present, this ratio is 17.7 percent. In a stationary population resulting from present death rates the ratio would be 25.2 percent, but such a situation is not likely to occur within the next century. Ultimately this ratio may become even greater because of decreases in mortality below present rates.

Another reason for the increasing cost is that the proportion of the aged population eligible for and receiving benefits will increase. Some of the present persons aged 65 and over were not in covered employment long enough to obtain benefits, or, in the case of widows, their husbands were not sufficiently long in covered employment. Although the system began in 1937, many jobs were not covered until 1951 or 1955. It is estimated that the proportion of the aged population eligible for some type of benefit under the system will increase from the present level of about 78 percent to between 93 and 96 percent by the end of the century.

Since the future cost of the old-age, survivors, and disability insurance program will be affected by many factors that are difficult to determine, the assumptions used in the actuarial cost estimates may differ widely and yet be reasonable. The long-range cost estimates for the program as it was changed by the 1961 amendments (shown for 1970 and thereafter) are presented here on a range basis to indicate the plausible variation in future costs depending on the actual trends that develop for the various cost factors. Both the low- and high-cost estimates are based on assumptions that represent close to full employment, with the average annual earnings remaining at about the level that prevailed in 1961. Each estimate provides data on payroll and contributions and on beneficiaries and benefit payments for every future year. The data are presented here for selected future years. All figures are assumed to remain constant after 2050.

It is considered likely, although by no means certain, that actual costs as a percentage of payroll will lie between the low- and high-cost figures. Also, a single estimate of costs is needed as a guide in considering proposed legislation and developing tax schedules intended to make the system self-supporting. For these reasons, an intermediate cost estimate is prepared, in which numbers of beneficiaries, amount of benefit payments, and payrolls are taken halfway between the low- and high-cost figures. The intermediate percentage-of-payroll figures are obtained by dividing total benefit payments by taxable payroll, each on the intermediate basis, and are therefore not exactly equal to the average of low- and high-cost percentage-of-payroll figures.

Table A shows benefit payment costs for selected years and the level premium cost, all expressed as percentages of payroll, under each of the three estimates. The level premium cost is that constant combined employer-employee tax rate that, together with a tax on the self-employed at 75 percent of such combined rate, would exactly pay for all future benefits and administrative expenses, after making allowance for the effect of the existing trust fund and for future interest earnings. All percentage-of-payroll figures are adjusted so that they represent the tax rate that employees and employers combined, and the self-employed at three-quarters of the combined rate, would have to pay in any given year to meet exactly the disbursements in that year. Tables B and C show, for each set of estimates, the contributions, benefit payments, administrative expenses, amount paid to or received from the railroad retirement system, and the balance in the trust funds for selected years.

TABLE A.—*Estimated costs of old-age, survivors, and disability insurance system as percent of payroll,¹ high employment, and 1961 level earnings assumptions, 1970-2050*

OLD-AGE AND SURVIVORS INSURANCE BENEFITS

[In percent]

Calendar year	Low-cost estimate	High-cost estimate	Intermediate cost estimate ²
1970.....	6.87	7.36	7.11
1980.....	7.70	8.79	8.23
1990.....	8.09	10.13	9.06
2000.....	7.41	10.34	8.74
2025.....	8.41	13.43	10.49
2050.....	10.50	15.18	12.31
Level-premium cost ³	7.71	9.89	8.69

DISABILITY INSURANCE BENEFITS

Calendar year	Low-cost estimate	High-cost estimate	Intermediate cost estimate ²
1970.....	0.62	0.72	0.67
1980.....	.59	.71	.65
1990.....	.54	.70	.61
2000.....	.55	.73	.63
2025.....	.62	.80	.70
2050.....	.66	.83	.74
Level-premium cost ³	.57	.72	.64

¹ Taking into account the lower contribution rate for the self-employed, as compared with the combined employer-employee rate.

² Based on the average of the dollar costs under the low- and high-cost estimates.

³ Level premium contribution rate, at 3.25-percent interest rate, for benefits after 1961, taking into account interest on the trust fund on Dec. 31, 1961, future administrative expenses, the railroad retirement financial interchange provisions, reimbursement for military wage credits cost, and the lower contribution rates payable by the self-employed.

TABLE B.—*Estimated progress of old-age and survivors insurance trust fund, high employment and 1961 level earnings assumption, equivalent 3.25 percent interest basis*¹

ACTUAL DATA						
[In millions]						
Calendar year	Contributions	Benefit payments	Administrative expenses	Financial inter-change ²	Interest on fund	Fund at end of year ³
1951.....	\$3,367	\$1,885	\$81	-----	\$417	\$15,540
1952.....	3,819	2,194	88	-----	365	17,442
1953.....	3,945	3,006	88	-----	414	18,707
1954.....	5,163	3,670	92	-----	468	20,576
1955.....	5,713	4,968	119	-----	461	21,663
1956.....	6,172	5,715	132	-----	531	22,519
1957.....	6,825	7,347	⁴ 162	-----	557	22,393
1958.....	7,566	8,327	⁴ 194	—\$124	552	21,864
1959.....	8,052	9,842	184	—282	532	20,141
1960.....	10,866	10,677	203	—318	516	20,324
1961.....	11,285	11,862	239	—332	549	19,725
LOW-COST ESTIMATE						
1970.....	\$22,432	\$17,016	\$271	—\$281	\$1,531	\$50,515
1980.....	26,607	22,974	336	—95	3,686	117,622
1990.....	31,339	28,613	398	60	5,951	193,109
2000.....	37,170	31,092	441	110	9,581	310,372
2025.....	49,870	47,398	630	110	29,507	943,145
HIGH-COST ESTIMATE						
1970.....	\$21,829	\$17,652	\$339	—\$339	\$1,161	\$39,052
1980.....	24,921	24,454	419	—165	2,336	74,468
1990.....	27,890	31,752	501	—20	2,298	73,998
2000.....	31,116	36,209	556	30	1,176	38,157
2025.....	35,255	53,416	734	30	(⁵)	(⁵)
INTERMEDIATE COST ESTIMATE						
1970.....	\$22,131	\$17,333	\$305	—\$310	\$1,346	\$44,784
1980.....	25,764	23,713	378	—130	3,012	96,051
1990.....	29,615	30,182	450	20	4,125	133,555
2000.....	34,143	33,649	498	70	5,379	174,275
2025.....	42,563	50,408	682	70	10,249	326,401

¹ An interest rate of 3.25 percent is used in determining the level-premium costs, but in developing the progress of the trust fund a varying rate in the early years has been used, which is equivalent to such fixed rate, when averaged over a long period of time.

² A positive figure indicates payment to the trust fund from the railroad retirement account; a negative figure indicates the reverse.

³ Not including amounts in the railroad retirement account to the credit of the old-age and survivors insurance trust fund. These amounted to \$377,000,000 for 1953, \$284,000,000 for 1954, and \$163,000,000 for 1955, \$60,000,000 for 1956, and nothing for 1957 and thereafter.

⁴ These figures are artificially high because of the method of reimbursements between this trust fund and the disability insurance trust fund (and, likewise, the figure for 1959 is too low).

⁵ Fund exhausted in 2008.

NOTE.—Contributions include reimbursement for additional cost of noncontributory credit for military service.

TABLE C.—*Estimated progress of disability insurance trust fund, high employment and 1961 level earnings assumptions, equivalent 3.25 percent interest basis*¹

ACTUAL DATA

[In millions]

Calendar year	Contributions	Benefit payments	Administrative expenses	Interest on fund	Fund at end of year
1957.....	\$702	\$57	² \$3	\$7	\$649
1958.....	966	249	² 12	25	1,379
1959.....	912	457	50	41	1,825
1960.....	1,015	568	36	53	2,289
1961.....	1,033	887	64	66	2,437

LOW-COST ESTIMATE

1970.....	\$1,279	\$1,505	\$81	\$40	\$1,345
1980.....	1,519	1,692	81	(3)	(3)
1990.....	1,788	1,857	83	(3)	(3)
2000.....	2,121	2,235	92	(3)	(3)
2025.....	2,850	3,410	134	(3)	(3)

HIGH-COST ESTIMATE

1970.....	\$1,245	\$1,709	\$92	(4)	(4)
1980.....	1,424	1,940	92	(4)	(4)
1990.....	1,592	2,120	93	(4)	(4)
2000.....	1,776	2,497	98	(4)	(4)
2025.....	2,015	3,118	119	(4)	(4)

INTERMEDIATE COST ESTIMATE

1970.....	\$1,262	\$1,607	\$86	\$9	\$311
1980.....	1,472	1,816	87	(5)	(5)
1990.....	1,690	1,989	88	(5)	(5)
2000.....	1,949	2,366	95	(5)	(5)
2025.....	2,433	3,264	127	(5)	(5)

¹ An interest rate of 3.25 percent is used in determining the level-premium costs, but in developing the progress of the trust fund a varying rate in the early years has been used, which is equivalent to such fixed rate, when averaged over a long period of time.

² These figures are artificially low because of the method of reimbursements between the trust fund and the old-age and survivors insurance trust fund (and, likewise, the figure for 1959 is too high).

³ Fund exhausted in 1975.

⁴ Fund exhausted in 1969.

⁵ Fund exhausted in 1971.

NOTE.—Contributions include reimbursement for additional cost of noncontributory credit for military service and transfers to or from the railroad retirement account under the financial interchange provisions of the Railroad Retirement Act.

For old-age and survivors insurance, annual benefit payments as a percentage of payroll are less than or close to the scheduled tax rates in the early future years, but they eventually rise well above the ultimate rate of 8¼ percent. For disability insurance the benefit payments are higher than the present level tax rate of one-half of 1 percent for every future year. To measure the extent to which the financing arrangements of the system result in a surplus or deficiency, a level rate equivalent to the actual increasing contribution rates has been computed, taking into account future interest. The level-premium equivalent of contributions minus the level-premium equivalent of benefit and administrative costs, after making allowance for the interest-earning effect of the existing trust fund, gives the amount by which the contribution rate in all years would have to be changed to put the system in exact long-range balance according to the estimate. A negative figure would indicate that an increase in the tax rate is needed to make the system self-supporting. However, considering the variability of long-range cost estimates and certain elements of conservatism believed to be present in the estimates, small negative figures are not considered significant. The long-range balance of the system is shown by the following level-premium equivalent costs and contributions, in percentages of payroll, which are computed as of the beginning

of calendar year 1962, at 3.25 percent interest (the estimated long-range average rate corresponding to the revised method of determining the interest rate on special obligations issued to the trust funds under the provisions of the 1960 amendments):

[In percent]

Item	Low cost	High cost	Intermediate cost
Old-age and survivors insurance			
Contributions ¹	8.54	8.50	8.52
Benefit cost ²	7.71	9.89	8.69
Net difference.....	.83	-1.39	-.17
Disability insurance			
Contributions ¹	.50	.50	.50
Benefit cost ²	.57	.72	.64
Net difference.....	-.07	-.22	-.14

¹ Based on adjusted payroll that reflects the lower contribution rate for the self-employed as compared with the combined employer-employee rate.

² Including adjustments (a) to reflect lower contribution rate for the self-employed as compared with the combined employer-employee rate, (b) for interest on existing trust fund, (c) for administrative expenses, (d) for the railroad retirement financial interchange provisions, and (e) for reimbursement of military wage credits costs.

The lack of actuarial balance of the old-age and survivors program (0.17 percent on the intermediate-cost basis) is within the acceptable limit of variation of 0.25 percent of taxable payroll. The disability insurance program has a lack of actuarial balance of 0.14 percent of payroll which is well above the acceptable limit of variation of 0.05 percent.

If the cost estimates had been based on a higher interest rate than 3.25 percent (which is somewhat above the current average being earned by the total investments of the trust funds, although considerably below the prevailing market rate of interest on long-term Government obligations, which was about 3½ percent in 1962), the lack of actuarial balance would have been considerably less than 0.31 percent of payroll. In fact, if an interest rate of 3¾ percent had been assumed, the combined actuarial deficit of both programs would have been virtually eliminated.

If the experience exactly follows the assumptions, future computations would show a gradual increase in the actuarial lack of balance under the intermediate-cost estimate for both the old-age and survivors insurance system and the disability insurance system. The reason for this is that interest accumulations increase any surplus in the system, but declines in interest income increase any deficit. In the case of a surplus, the excess contributions actually earn interest, while a deficit grows because of the absence of the annual interest that would have been earned if the proper contributions had been paid. It is estimated that because of this effect the present deficiency of 0.31 percent would increase to 0.36 percent by the year 1970. With continuing study of the emerging experience under the program, there will be ample time to make any changes in the tax rate or other changes that may be necessary to keep the system in actuarial balance.

It is important to note that these estimates are made on the assumption that earnings will remain at about the level prevailing in 1961. If earnings levels rise, as they have in the past, the benefits and the taxable earnings base under the program will undoubtedly be modified. If such changes are made concurrently and proportionately with changes in general earnings levels, and if the experience follows all the other assumptions, the future year-by-year costs of the system as a percentage of taxable payroll would be the same as those shown. However, the existing trust fund accumulated in the past, and its interest earnings, will represent a smaller proportion of the future taxable payrolls than if earnings were not to increase in future years. As a result, since interest earnings of the trust fund will play a relatively smaller role in the financing of the system, the "net" level-premium cost—taking into account benefit payments, administrative expenses, and interest on the existing trust fund—would be somewhat higher. If benefits were modified to reflect changes in earnings levels, not in full but rather only in

part or with a timelag, the "net" level-premium cost would not rise as much, or might not increase at all. Again, the effect of such events can be observed in ample time to make any needed changes in the contribution schedule or any other changes to improve the actuarial balance of the system.

This analysis includes the benefits and contributions in respect to all persons anticipated to be covered in the future under present statutory provisions. The actuarial deficiency would be larger if account were taken only of (a) the benefits to be paid to workers who have been covered by the system in the past and to their dependents and survivors, (b) the future taxes to be paid by such workers, and (c) the existing trust funds. In a private insurance company it is necessary to set up reserves equal to all currently accrued liabilities, since the company cannot compel individuals to become new policyholders and must be in a position at any time to pay all benefits that will become payable with respect to its present and past policyholders, using only its present assets and the premiums to be paid by present policyholders. In analyzing the actuarial condition of a compulsory social insurance system that will continue indefinitely, the income and outgo with respect to new entrants should properly be included, thus obviating the need to set up reserves for all currently accrued liabilities.

A discussion of the assumptions under which these estimates have been made is presented in appendix I.

SUMMARY OF CONCLUSIONS

Total assets of the old-age and survivors insurance trust fund decreased \$1.3 billion during fiscal year 1962. A decrease of about this magnitude had been anticipated in the previous report. Over the 5 years, 1963-67, the trust fund is expected to increase, although during the early part of this period, the rise will not be very rapid.

Total assets of the disability insurance trust fund increased by only \$2 million during fiscal year 1962, or by 0.1 percent. The estimated increase shown in the previous report was \$40 million, or about 1.6 percent. Short-range future estimates for this trust fund indicate that its assets will decline slowly, but steadily (although at an increasing rate), over the next 5 years—as contrasted with the previous report which indicated that they would remain about level.

Relatively large margins and possible variations are inherent in long-range actuarial cost estimates. Such estimates are, therefore, the subject of continuing study and appraisal. Considering the old-age and survivors insurance and the disability insurance portions of the program together, the new cost estimates made recently show that the actuarial balance is substantially the same as it was before the new estimates were prepared so that the system as a whole remains in close actuarial balance. The balances of each of the two portions of the program, however, are differently affected. The balance of the old-age and survivors insurance program is shown to have improved somewhat—by 0.07 percent of taxable payroll on a level-cost basis—but the balance of the disability insurance program is shown to have deteriorated somewhat—by 0.08 percent of taxable payroll. As to the latter, the previous lack of actuarial balance was 0.06 percent of taxable payroll (or 12 percent relatively); the current estimates show a lack of balance of 0.14 percent of taxable payroll (or 28 percent relatively).

An adjustment of the allocation of the total contribution rate between the two portions of the program would thus not affect the overall actuarial balance, but it would make for a more reasonable subdivision between them.

Accordingly, the Board of Trustees recommends that in 1966, when the combined employer-employee contribution rate increases by 1 percent (with a corresponding increase in the rate for the self-employed), the allocation to the disability insurance trust fund shall be changed from the present basis. It is recommended that a small portion of the increase of 1 percent be allocated to the disability insurance trust fund and the remainder to the old-age and survivors insurance trust fund. It is not necessary at this time to recommend the exact amount of the allocation to the disability insurance trust fund, which will undoubtedly be relatively small, since this can better be done after study of the developing experience in the next 2 years. On the basis of the present long-range cost estimates, it could then be said that not only the program as a whole, but also each of the two subdivisions, would be in close actuarial balance. It may be noted that under conditions of actuarial balance, the system will have sufficient income from contributions (based on the tax schedule now in the law) and from interest earned on investments to meet benefit payments and administrative expenses indefinitely into the long-range future.

Under section 217(g) of the Social Security Act, as amended, the trust funds are to be reimbursed from general revenues for the additional costs that were incurred after August 1950 with respect to benefits based on credits for military service performed at some time during the period from September 16, 1940, through December 31, 1956 (for which no contributions were paid). No reimbursements, however, have been made to date for these costs. The Board of Trustees, therefore, strongly recommends enactment of the first appropriation request of \$63.4 million, contained in the 1964 budget of the United States, as submitted to Congress in January 1963.

PROCEDURES FOR GRANTING DISABILITY PAYMENTS

Mr. DENTON. Now, this is not your fault, but under this law we have a rather dilatory, expensive, and cumbersome method, which I think is utterly unjustifiable, in having the States pass on the question of whether a man is totally and permanently disabled. That is going to cost us \$27 million this next year, I take it.

Mr. BALL. That is the entire cost of handling the disability program. I should point out, Mr. Denton, that a very sizable proportion of that is for the part that we contribute to the program—for the Federal operation.

Mr. DENTON. You show in your justifications, "payments to States, \$27 million."

Mr. BALL. I am sorry, you are correct; yes.

Mr. DENTON. You do spend that much?

Mr. BALL. Yes.

Mr. DENTON. And it does cause a delay of about 90 days and it has the States passing on whether or not the Government should pay out money which is an incongruous situation.

Mr. BALL. I don't want to defend the fundamental arrangement because I think from an administrative standpoint, if that were the sole consideration, it would be better to have it as a straight Federal operation. I should point out, however, that it wouldn't be right to attribute to this arrangement a delay of 90 days. What the States do in the program, if it were transferred to the Federal Government, would have to be done by the Federal Government and there would certainly be some time consumed in that.

Mr. DENTON. In your district offices you investigate claims, then the States investigate them and you have a referee investigate them again. So that does cause some delay.

Mr. BALL. The State takes the work that has been done by the district offices and uses that. It doesn't repeat the investigation. It may find that the medical evidence that the individual submitted is not sufficient and have to purchase a specialist's examination.

Mr. DENTON. It is one extra step.

Mr. BALL. It is an extra point.

Mr. DENTON. It always causes a delay—the intermediate step.

Mr. BALL. I would say it does cause delay. I was objecting to the 90 days.

Mr. DENTON. Any delay is bad. The bad feature about that situation is the situation that prevailed in my State with which you are familiar and with which Mr. Christgau is familiar. The man who handled the disability claim was not handling them the way he should. You had no control over it. You spoke to me about that situation and I think that points up the very serious defect of this procedure. Of course, there has been a change of personnel and we do not have

that problem now. But you spoke to me about it. It was a serious problem and it showed the serious disadvantage of this program of having the States pass on a claim against the Government.

Mr. BALL. As you remember, the reason it was set up that way was really not to get the best administrative setup. More weight was given to program considerations. There was a concern on the part of many people that the vocational rehabilitation agencies be locked right into this disability program.

REHABILITATION PROGRAM

Mr. DENTON. Are you doing any better in rehabilitating the people? It used to be less than 1 percent.

Mr. BALL. 1 percent.

Mr. DENTON. Of the cases referred to the States those rehabilitated was less than 1 percent. Are you doing any better than that?

Mr. BALL. I am not sure what percentage it comes out to now. It is probably a little better than that. Let me describe the process related to rehabilitation.

At the same time the disability determination is made, the people who make that determination screen out a very large number of cases that don't look as if there is any possibility of rehabilitation—a very gross screening.

Mr. DENTON. To determine whether or not they are rehabilitable?

Mr. BALL. That initial group is not really considered further. They are screened out at a very early stage (for example as having terminal cancer) or on some other criteria that would make it clearly not desirable to spend the money to try to rehabilitate them.

Then you have another group that is referred to vocational counselors, and they do a much more intensive job to determine whether there is a possibility of rehabilitating the person. From that point cases are actually—a portion of them—referred for service and rehabilitation. If my memory serves me right, in the last fiscal year, about 8,000 of the disability applicants under social security were referred for service in vocational rehabilitation.

Mr. DENTON. Out of how many?

Mr. BALL. Out of the total applicants; I would suppose it would be about 500,000.

Mr. DENTON. 8,000 out of 500,000 were referred for rehabilitation and how many were rehabilitated?

Mr. BALL. I am sorry. The number represents those accepted for service. It is 7,400. Of those the 4,657 were actually rehabilitated. I should add another figure there, if I may.

Mr. DENTON. 7,400 out of a total of 500,000. That is almost negligible.

Mr. BALL. Except that it seemed to us very important that anyone who could be rehabilitated should be rehabilitated rather than receiving benefits.

Mr. DENTON. There is no reason in the world why you have to mix the whole system up to refer somebody to vocational rehabilitation to be rehabilitated. Practically all workmens' compensation offices refer a person who has been disabled to vocational rehabilitation and we do not have a circuitous route in processing the claims to have that happen, do we?

Mr. BALL. I agree with you that you could design a referral system even though you had straight Federal administration.

RATE OF REVERSAL OF REFEREES' DECISIONS

Mr. DENTON. I think your agency does a very good job. I am pleased in dealing with you and I think you give the people satisfaction. There is only one criticism that I do want to make and that goes back to my State again and that is the referees.

A situation prevailed in my State where disability should have been determined by the referees, but it ended up with the judges of the Federal court determining it. The referee went in there and decided every case in favor of the Government. People were not getting a very good hearing with this referee.

Mr. BALL. Is this the situation currently?

Mr. DENTON. I talked to you about it 2 or 3 years ago.

Mr. BALL. I remember it in the past. I wondered if it was your current impression.

Mr. DENTON. No. I am not complaining about it now. It is taken care of. I think a man is entitled to have a hearing before an impartial tribunal and obviously, this referee has been deciding all cases in favor of the Government.

Are you having any better record on your cases in court being affirmed by the court? I mean the decisions of your referees.

Mr. BALL. Yes, in recent months it has been better. Presently they are running between 30 and 40 percent reversals and there was a time when it was pretty close to even.

Mr. DENTON. I thought it was worse than that.

Mr. BALL. No, the worst I have is 1961—46 percent. It might have been worse than that for a single month. But 46 percent reversals in 1961 is the worst for a year. I might say, Mr. Denton, that the reversals tend to be concentrated very much in a few jurisdictions. This is not too surprising. A very high proportion of the reversals are in Alabama and South Carolina.

Mr. DENTON. In my State you have not had many recent reversals.

Mr. BALL. Not as high as they were.

COMPARATIVE STUDY OF DIFFERENT DISABILITY SYSTEMS

Mr. DENTON. You have some studies made, one by George Washington University and who else?

Mr. BALL. Johns Hopkins. They are making a comparison of disallowed cases with the allowed, which I thought ought to be very revealing.

Mr. DENTON. What sort of work is George Washington doing for you?

Mr. BALL. George Washington is comparing the different disability systems, one with the other, to determine exactly how we go about these things differently—how they go about it differently from us, what the different criteria are and what the basis for them is in the different laws and plans. Hopefully we can bring this closer together.

Mr. DENTON. I think you people are just like everybody else—that you are agonized a little bit over what total, permanent disability

means. I think with you the statute is plain. It is the same as anybody else. It means the inability to perform substantially duties of any gainful occupation and I think it is subjective and it depends on the man, in every case. I think that is the law every place.

Mr. BALL. There are some differences, Mr. Denton. Take private insurance; typically, as you know, after an individual has been totally disabled for 6 months, there is a presumption that that is a permanent total disability—if it has lasted 6 months. Of course, they will take him off the rolls if he recovers. We are not allowed to make such a presumption.

Mr. DENTON. I remember I tried a case and when the case first came up, the court said after 30 days, or 90 days or 6 months he was presumably totally disabled. This case I had had a waiting period of 30 days and the court held that that was a presumption, too.

Mr. BALL. We specifically have in the statute that you have to make a prognosis that it is going to be of long-continued and indefinite duration.

Mr. DENTON. That is what permanent disability is and it is held that in insurance cases. The point that I am trying to make is, the insurance companies had the same trouble you had, but the courts decided for them pretty well and the Government had it with their insurance and the Government decided that for them and workmens compensation—it all gets back to the same test, which is a very simple test. It is a ruling, and you have to apply the particular facts to that ruling.

Mr. BALL. There are some differences in the statutes. Veterans' Administration, as I am sure you realize, operates more in relation to what you might call an average man approach: Would a typical, average person with this handicap be able to perform substantial gainful active work? Then they have the percentage of disability, which makes it a very different thing.

Mr. DENTON. Of course, they do not on non-service-connected disabilities.

Mr. BALL. No.

Mr. DENTON. I think it looks very bad to have one agency say a man is totally, permanent disabled and another one say he is not.

Mr. BALL. That is one reason we wanted this study—to have an outside group go into the matter with us and determine what the reasons for the differences are.

Mr. DENTON. I had a Government installation in my district employ a good many people and they would hold that a man was totally, permanently disabled so he could not work for the Government, but then they would hold that he was not totally, permanently disabled so that he could draw veterans' benefits or so he could not draw social security. I never could explain that to a man and I do not know if anybody could.

Mr. BALL. I would like to bring all these things closer together if we possibly can. They will never be just the same. But as you say it is very important.

STUDY OF DISABILITY CASES ALLOWED AND DISALLOWED

Mr. DENTON. What is Johns Hopkins doing for you?

Mr. BALL. They are really doing a comparative study just within our program of the cases that have been allowed and the cases that have been disallowed—a sample of course—from the standpoint of actually giving current examinations of disability. For one thing, we want to be sure that we made a correct determination in light of later events. They are also finding out what happens to these people who had a disallowance: Do they get worse? Is there a deterioration in their condition so they would be eligible even if they weren't eligible before? Can they be rehabilitated? In addition to the administrative angle, Mr. Denton, we are interested in it from the standpoint of whether we might want to recommend any changes in the law.

Mr. DENTON. One man will have heart trouble and will be totally disabled and another man will have the same kind of heart trouble and be able to do regular work. It depends on the man, his education, his background, his prior training—a great many other things.

Mr. BALL. It does. That is why we have had to go into vocational experts' appraisals and not rely as much as we did at the beginning solely on the medical factors.

ASSISTING THE CLAIMANT TO FILE HIS CLAIM

Mr. DENTON. Here is another problem, and I was glad to hear you say that you are having applicants' expenses paid when they are to be examined. But I think Congressmen deal with your agency more than any other, unless it is the Veterans' Administration.

When you deal with the Veterans' Administration there is a service officer in the Legion or the VFW or some other veterans' organization. Most counties provide a service officer that prepares a claim for a man. There is nobody to do that for your agency. My field secretary spends a great deal of time getting the preliminary evidence. I do not know whether you could do it, but if you had somebody in your agency that would do the same work that a service officer does for a veteran, I think it would help the administration along tremendously.

Mr. BALL. Mr. Denton, we have really done, in the last few years, a great many things to help the claimant more by training our own district office people. I think you would find now that a great deal of effort is spent with the claimant to assist him in getting medical reports from his doctors and hospitals, and in getting together other evidence. Then, when the case gets to the State agency, now we are buying exams in about half the cases, in addition to the evidence we helped him collect at the first stage. When you get to a reconsideration, for example, one item we are asking for in the budget here, is an increase, a slight increase, in the number of exams that we can purchase. That would go up to about 70 percent at that processing level.

During this last year we have had another round of training in our district offices so that there is now in every office at least one, and often there are more than one, who is quite expert in disability development and will work with an individual who is making an applica-

tion for disability, to help him get together his evidence from his doctor and from the hospital. And then, if it is necessary to order an examination for him, if the other evidence isn't sufficient to permit a determination, this is done at the level of the State agency. We now pay for examinations in about half the cases.

OTHER SERVICES

Mr. DENTON. Now, on page 4 you show for other services, \$5,188,082. What is that for? That is line 25.

You can put it in the record if you want.

(The information follows:)

Estimate for other services in 1964 budget request (excluding advances to States)

Items included

1. General Services Administration charges for maintenance of the Social Security headquarters buildings-----	\$2, 476, 150
2. Recurring maintenance, repairs, and alterations to existing leased space including building services for offices working overtime--	123, 891
3. Alterations to newly acquired leased space due to relocation of several offices now in substandard space-----	230, 300
4. Maintenance and repairs to machines and other equipment where manufacturers warranties have expired-----	286, 117
5. Special surveys and studies to be accomplished by contracts with private organizations and other Government agencies-----	895, 000
(a) Nationwide survey of representative payees (\$500,000).	
(b) Comparative study of health, social, and economic status of disability applicants (\$190,000).	
(c) National survey of all aged and mother-child beneficiaries (\$50,000).	
(d) Operations research project (\$155,000).	
6. Production of radio and TV spot announcements and motion pictures for the Administration's information program-----	339, 202
7. Cost of major repairs and/or alterations to the Social Security buildings not covered in the normal maintenance agreement with the GSA-----	170, 000
8. Reimbursement to the Office of the Secretary, DHEW for processing of payroll on EDP equipment for SSA personnel-----	245, 000
9. Consultative examinations in disability hearings cases paid for by the Bureau of Hearings and Appeals-----	100, 000
10. Reimbursement to the Veterans' Administration for servicing of Philippine claims and payment for translation services in other foreign claims-----	131, 645
11. Other miscellaneous services, including periodic physical examinations of Social Security Administration personnel and consultants for conducting training programs and seminars, etc--	190, 777

Total, other services----- ¹ 5, 188, 082

¹ Excludes \$55,000 for a national family survey formerly carried in the appropriation request for "Salaries and expenses, Office of the Commissioner," and included in the account "Salaries and expenses, Social Security Administration," under the revised budget estimate.

Mr. DENTON. In conclusion, I just want to say that I think you are doing a very good job in your agency.

You have two district officers in the district I represent and they are very accommodating. They are very nice people to deal with. Maybe there are some exceptions, but as a whole I think your field officers are very good. You have an agency coming very close to the public and I think that when you give good service like you are doing, you are doing a good job and I want to congratulate you.

Mr. BALL. I appreciate that very much, Mr. Denton. We do take the view that probably more Americans have a meaningful contact with the Social Security Administration than any other Government agency, and it is very important how they are treated in terms of their whole attitude toward their Government.

GROWTH OF SOCIAL SECURITY ADMINISTRATION

Mr. LESINSKI. You mentioned the large increase in employment and the large number of applications, et cetera. It has been 28 years, since 1935, since this first started.

Mr. BALL. They first started collecting contributions in 1937. First monthly payments were in 1940. The act was passed in 1935.

Mr. LESINSKI. Since then you have had the agricultural farmers come under the program.

Mr. BALL. Yes, sir.

Mr. LESINSKI. You have had doctors come under the program.

Mr. BALL. They are about the only group that hasn't. The doctors in private practice are still out, but almost everybody else is in.

Mr. LESINSKI. I thought they were.

Mr. BALL. They are in if they are employees, but self-employed doctors are not.

Mr. LESINSKI. Businessmen are?

Mr. BALL. Just about everybody.

Mr. LESINSKI. So, therefore, the expansion of the program has been because of the passage of laws by the Congress.

Mr. BALL. Yes, indeed; and it has been extended, as you know, to additional risks—the disability program that Mr. Denton was inquiring about is a brandnew program, beginning in 1954, with first cash payments in 1956.

Mr. LESINSKI. You are in about the same position as the Post Office; you automatically need more employees as the work increases.

Mr. BALL. Yes. We take a great deal of pride in not having the number of employees increase proportionately with the amount of work. We do everything we can to improve the methods and not have a corresponding increase in expense.

PERCENT OF PAYROLL CONTRIBUTED TO FUND

Mr. LESINSKI. What does a worker pay; 3.7 percent?

Mr. BALL. Three and five-eighths of the first \$4,800.

Mr. LESINSKI. The businessman pays?

Mr. BALL. He matches it. Same amount.

Mr. LESINSKI. Self-employed?

Mr. BALL. One and a half times. It is rounded; 5.4 percent.

Mr. LESINSKI. Now, you say there are more funds going in—it was going to be 4.9. What year is that?

Mr. BALL. It goes up two more steps under present law and in 1966 it rises to 4½; on each and then in 1968 it goes to 4¾. When you get up to 4.9 you may be thinking of the other quarter percent of the President's proposal for health insurance.

Mr. LESINSKI. That is correct. Is the program actuarially sound where you got \$20 billion in reserve and your assets are going down.

Mr. BALL. Yes, it is. On a longrun basis, as the trustees point out in their report, the system is in very close actuarial balance on the

best estimates that can be made and there will be sufficient funds under the contribution schedule in the law to meet all benefit costs as they fall due.

Now, it will be necessary to make a slight reallocation between the OASI and the disability funds. But it is not necessary to increase the overall contribution. It is just that the OASI fund is a little better off and the disability fund a little worse off so that a shift will cover it.

COMPARISON OF BENEFITS NOW AND AT ORIGIN OF PROGRAM

Mr. LESINSKI. While in high school, it seems to me, that the workers were sold on a program that they would have to pay 1 percent annuity and they would be guaranteed \$75 a month, and since then, of course, the Congress had increased the amounts deducted from the payroll for social security. Even with its present rate, I think there is no comparison between the \$75 a month back in 1935 or 1937, in purchasing power, and the amount of around \$125 today. Actually, the amount should be way above that.

Mr. BALL. Mr. Lesinski, the original program was really a 6 percent of payroll program; that is what the actuaries evaluated it at that time. It started out by charging 1 percent to the employer and 1 percent to the employee. But written right in the law was an increasing schedule to 3 percent on employers and 3 percent on employees. That was considered sufficient, actuarially, to pay old-age benefits. The present program is considered to be actuarially sound at $4\frac{1}{8}$ percent on the employer and $4\frac{1}{8}$ percent on the employee, and it is a much more comprehensive and liberal program.

In 1939 you had survivorship protection added for widows and orphans. You have had dependents' benefits added for wives, and for children under the age of 18. In 1954 we started a disability program. Originally it was just a freeze program, but in 1956 cash benefits were added, and the amounts of benefits have significantly increased over the years. So that actually, the benefits as compared to prices, Mr. Lesinski, are somewhat better today than they were in the original act, having been adjusted a little bit better than the change in prices. Not as much as wages have gone up but somewhat more than prices have gone up.

Mr. LESINSKI. In 1945, the value of the dollar, if you use 100, in comparison to today is down to as low as 42 cents. It should be \$200 or even higher; should it not?

Mr. BALL. We are using a different basis of comparison, I guess. I was thinking that in the early days the average benefits that were being paid were about \$22 a month and the maximum payable at that time was \$40. Now the average that is being paid is about \$80 a month for those who are coming on the rolls now. If you take the overall average, it is over \$76 a month and the maximum that is being paid is about \$125 a month.

Mr. FUTTERMAN. That was again, for an individual. The maximum today really is \$254.

Mr. LESINSKI. The maximum is \$254?

Mr. BALL. For a family, if you add the wife and children.

Mr. FUTTERMAN. The figures before were for an individual. For a family, the maximum now is \$254.

Mr. BALL. One of the things to me that has been most encouraging about this whole social security approach to the problem of poverty

has been the willingness, the eagerness, I would say, on the part of the working people to want to have a program that they help pay for.

Mr. LESINSKI. I appreciate that. I am not critical of the program. The only thing is that 2½ million receiving \$40 a month are the ones that need help from the State and every source.

INCREASED COSTS DUE TO HIGHER POSTAL RATES

Mr. Kelly, could there be an aggregate made of the increases required because of the postage rate increase for all of HEW—a comparison of 1962 and 1964? Do not take 1963 because the increased rates were not in effect for the full year.

Mr. KELLY. We can do that.

(The information follows:)

Postal costs in fiscal years 1962 and 1964

Appropriation account	Total postal costs fiscal year 1962	Postal costs fiscal year 1964	Difference	Amount of difference due to postal rate increases authorized by Public Law 87-793
Food and Drug Administration:				
Salaries and expenses.....	\$61,460	\$123,000	+\$61,540	\$15,000
Certification, inspection, and other services.....	1,000	2,000	+1,000	300
Subtotal, FDA.....	62,460	125,000	+62,540	15,300
Office of Education: Salaries and expenses.....	100,850	144,725	+43,875	28,000
Vocational Rehabilitation Administration: Salaries and expenses.....	10,459	16,200	+5,741	2,000
Public Health Service:				
Community Health:				
Accident prevention.....	400	1,900	+1,500	200
Chronic diseases and health of the aged.....	5,200	11,000	+5,800	1,000
Communicable disease activities.....	51,800	100,000	+48,200	19,300
Community health practice and research.....	15,200	9,000	-6,200	300
Dental services and resources.....	1,100	2,100	+1,000	400
Nursing services and resources.....	900	1,900	+1,000	100
Hospital construction activities.....	1,500	5,200	+3,700	400
Subtotal, Community Health.....	76,100	131,100	+55,000	21,700
Environmental Health:				
Environmental health sciences.....	1,800	3,500	+1,700	600
Air pollution.....	8,500	11,000	+2,500	2,000
Milk, food, interstate and community sanitation.....	3,500	10,000	+6,500	2,500
Occupational health.....	1,500	2,100	+600	500
Radiological health.....	8,700	11,000	+2,300	1,000
Water supply and water pollution control.....	26,100	41,000	+14,900	7,000
Subtotal, Environmental Health.....	50,100	78,600	+28,500	13,600
Bureau of Medical Services (excludes Indian Health activities):				
Hospitals and medical care.....	39,700	53,600	+13,900	12,000
Foreign quarantine activities.....	12,900	16,100	+3,200	3,200
Subtotal, Bureau of Medical Services.....	52,600	69,700	+17,100	15,200
National Institutes of Health:				
General research and services.....	10,300	16,300	+6,000	2,000
Biologics standards.....	3,700	15,300	+11,600	2,000
National Cancer Institute.....	46,000	59,300	+13,300	6,000
Mental health activities.....	36,500	63,900	+27,400	8,000
National Heart Institute.....	30,000	29,600	-1,300	5,000
Dental health activities.....	4,900	18,800	+13,900	2,000
Arthritis and metabolic disease activities.....	16,500	24,700	+8,200	2,000
Allergy and infectious disease activities.....	9,600	22,900	+13,300	2,000
Neurology and blindness activities.....	32,900	31,500	-1,400	4,000
Subtotal NIH.....	191,300	282,300	+91,000	33,000

Postal costs in fiscal years 1962 and 1964—Continued

Appropriation account	Total postal costs fiscal year 1962	Postal costs fiscal year 1964	Difference	Amount of difference due to postal rate increases authorized by Public Law 87-793
Other, Public Health Service:				
National health statistics.....	\$7,300	\$14,000	+\$6,700	\$2,000
National Library of Medicine.....	30,400	35,400	+5,000	2,600
Salaries and expenses, Office of Surgeon General.....	26,100	30,100	+4,000	2,900
Subtotal, other PHS.....	63,800	79,500	+15,700	7,500
Total, PHS.....	433,900	641,200	+207,300	91,000
St. Elizabeths Hospital: Salaries and expenses.....	7,136	8,700	+1,564	1,400
Social Security Administration:				
Limitation on salaries and expenses, Social Security Administration.....	2,475,325	3,281,261	805,936	594,680
Bureau of Federal Credit Unions.....	20,000	26,000	+6,000	5,000
Subtotal, SSA.....	2,495,325	3,307,261	+811,936	599,680
Welfare Administration:				
Salaries and expenses, Bureau of Family Services.....	8,000	14,000	+6,000	2,000
Salaries and expenses, Children's Bureau.....	8,800	12,000	+3,200	2,000
Juvenile delinquency and youth offenses.....	435	1,200	+765	300
Salaries and expenses, Office of Aging.....	425	500	+75	50
Salaries and expenses, Office of the Commissioner.....	2,600	3,500	+900	500
Subtotal, Welfare Administration.....	20,260	31,200	+10,940	4,850
Special institutions:				
Freedmen's Hospital.....	4,110	4,950	+840	700
Gallaudet College.....	2,500	3,775	+1,275	319
Howard University.....	40,000	50,000	+10,000	10,000
Subtotal, special institutions.....	46,610	58,725	+12,115	11,019
Office of the Secretary:				
Salaries and expenses, Office of the Secretary.....	10,073	16,033	+5,960	2,860
Salaries and expenses, Office of Field Administration.....	22,541	33,350	+10,809	4,350
Surplus property utilization.....	6,240	9,275	+3,035	1,775
Salaries and expenses, Office of the General Counsel.....	318	400	+82	21
Educational television facilities.....		3,000	+3,000	300
Subtotal, Office of the Secretary.....	39,172	62,058	+22,886	9,306
Total, HEW.....	3,216,172	4,395,069	+1,178,897	762,555

Mr. KELLY. I should call your attention to the fact that the largest single increase will occur in the appropriation that is before you now. As a matter of fact, I think the increase in this appropriation would far exceed all of the increases in the Department because of the nature of their activity and their mailings. The postal cost has much greater effect here, and it is a relatively minor sum in other accounts of the Department.

Mr. BALL. It should be accounted for separately by reason of involving a trust fund operation.

ACTUARIAL SOUNDNESS OF PROGRAM

Mr. LESINSKI. One further question. If you were running this program on an actuarially sound basis as an insurance company would be doing, providing for your own expenditures out of the trust fund, what would be the actual figure necessary to carry the full load?

You say it will be 4% in 1968. What would be the actual figure?

Mr. BALL. The postponement to 1968 makes the ultimate rate a little bit higher. I would say that if you were to immediately put in an amount that would make it actuarially sound and never have to raise it, that probably about 4.6 percent on employers and 4.6 percent on employees would do it. Now, let me point out that there is a real difference in the concept of what is actuarially sound traditionally under a private insurance plan and what is sound under a government plan.

Under the private insurance plan it is, and always has been, felt necessary—and I think correctly so—to accumulate enough in the way of a reserve fund so that if the company went out of business, or if they couldn't sell enough new customers in future years, they nevertheless had enough right in that fund to handle all the liabilities that had been accumulated. That is not true of the way this Government program is financed or the way any major social security program is financed around the world.

On the contrary, this kind of program can be considered to be actuarially sound if the amounts that are collected on into the future as far as you can tell will be sufficient to meet all liabilities as they fall due. The big difference is that you assume the continuance of the Government institution and don't feel it necessary to have a reserve to guard against the contingency of the Government going out of business. If you were to build a reserve like a private insurance company for this program on that theory it would run up into figures like \$350 billion. The reserve doesn't have the same function in the Government program. All of the advisory councils we have had, using distinguished life insurance actuaries and economists and investment bankers, think this is the right concept for a governmental program. They have backed the idea that this is a financially sound way to approach social security, although they wouldn't say it is sound for private insurance.

FINANCING ADMINISTRATIVE EXPENSES

Mr. LESINSKI. I am glad you explained what you did. But, I think you missed the point of my question. You got a request for 318 million for the 1964 budget. If you were to charge this off as part of the social security, how much of an increase would you need in your social security deductions?

Mr. BALL. Our administrative expenses do come from the trust fund. They are covered by the contributions.

Mr. LESINSKI. In other words, we are not appropriating money to you directly from the Treasury. This is from the trust fund?

Mr. BALL. It is fully covered by the contributions.

I might point out to you that as a percentage of the contributions that are paid for social security, the amount that is used for administrative expenses over the years has run right around 2 percent. In other words, we take only 2 cents out of a contribution dollar on the average, to operate the program, and that includes not only our expenses, but the expenses of collection that the Treasury Department has, and their disbursing offices and so on.

Mr. LESINSKI. In other words, what you have been telling me is the fact that you run the same as an insurance company, a private

insurance company, only you do not have as great an amount of funds available in proportion to the number of people insured as an insurance company would have.

You mentioned \$400 billion.

Mr. BALL. We do not fund on a full reserve basis as they do. But all expenses as well as benefits come out of the contributions that are collected.

Mr. LESINSKI. So the point being, the Federal Treasury does not contribute a dime toward this program.

Mr. BALL. You are absolutely correct.

Mr. LESINSKI. Thank you, sir.

Mr. DENTON. One thing that made the program better, too, is that the age has been lowered from 65 to 62, although the amount is decreased when you take it at the lower age.

Mr. BALL. That doesn't cost anything in the long run because if people take their benefits earlier, you actuarially reduce them.

Mr. DENTON. Mr. Michel.

Mr. MICHEL. I appreciate the discussion that we have just had here relative to the difference between a private insurance company and this so-called insurance program by the Federal Government; and also the differentiation between reserves in dollars to back up a commitment as against this faith and confidence that our Government will go on indefinitely and that people will always be coming after us to make the deductions from pay and from the employers to finance the program in the future.

PEORIA OFFICE

I think, first of all, I have got to throw an accolade to the local office that you have out in Peoria, Ill. Recently I think they received a thousand dollar check to be distributed among the office for some improvements they have made. I would put Mr. Lake Mott, the manager out there, up against any man in the Government today for his ability to deal with people. He is able to get along in the community and does an effective job in exercising good prudence. I know that sometime back he was concerned about how he could bring about a change in facility—doing it at minimum cost to the taxpayer. If sometime in the future your Department is considering somebody for an award, you might look pretty closely at that Peoria office. I am always proud to point to Mr. Mott, particularly in the operation of that office, as really representative of good public service. These folks all want to serve as best they can, and I have always found that people have been very favorably received, against those who sometimes feel they are doing you a great big favor by performing the service.

Mr. BALL. I am very glad to hear that, Mr. Michel. I think the Peoria office is an excellent one. I hope you get around the country and that you visit some others. I think we have a great many of them.

Mr. MICHEL. That may well be true.

Mr. BALL. I believe in the last 10 years since he has been Director of the Bureau Mr. Christgau has done an outstanding job in giving enthusiasm and a dedication to public service to the whole organization.

NUMBER OF PERSONS GETTING RETIREMENT BENEFITS BEFORE AGE 65

Mr. MICHEL. You speak of 607,000 claims of those eligible people who will be retiring at 62—between 62 and 64. What would be the percentage of men electing in this past year to retire at the age of 62 as against 65?

Is there any way of relating the percentage—relating it percentage-wise?

Mr. BALL. Yes; we could do that.

Mr. MICHEL. You can put it in the record.

Mr. BALL. Yes.

(The information follows:)

PERCENTAGE OF MEN AGED 62-64 RECEIVING BENEFITS COMPARED WITH MEN AGED 65-69

As of December 31, 1962, there were 400,000 men aged 62-64 in current-payment status. This represents about 24 percent of the estimated 1.7 million eligible for OASI benefits. At the same point of time 2 million men aged 65-69 were in current-payment status. This represents 78 percent of the approximately 2.6 million men eligible for OASI benefits.

Mr. BALL. You might be interested, Mr. Michel, that it is our very strong belief, backed up by some studies we have done, that very few of these men between 62 and 65 voluntarily decide to retire earlier than 65 and seek the benefits. It is more that they are out of a job. Either they are unable to work or they can't find work and then they apply. It isn't so much a voluntary choosing of an earlier benefit. It is just that they don't have much alternative.

Mr. MICHEL. What are the total number of people getting social security benefits?

Mr. BALL. Right now it is a little over 18 million every month and in the next year we expect it will hit 20 million.

COST OF CHECK MAILING

Mr. MICHEL. We touched on this big cost, I am sure, that comes under the category of penalty mail with the Post Office Department. For example you are talking about 20 million checks a month at 5 cents a check. That is 5 cents a mailing. Do you really reimburse the Post Office Department?

Mr. KELLY. In this particular instance the check is mailed by the Treasury Department. It is paid for from the trust fund, but it does not appear in this account. It appears under the Treasury Disbursing Office as a cost of mailing all the checks.

Mr. BALL. You see, they have the function—the Disbursing Office has the function of writing and mailing the checks. We certify a roll to them. So it is their cost. But as Mr. Kelly suggested, the trust fund is charged with all functions of administering this program, even though done by another agency.

Mr. MICHEL. Even the paper upon which the checks are written must be in the tons in the course of a year. Who pays for the paper there? Does that come out of the trust fund?

Mr. KELLY. All the expenses associated with it come out of the trust fund.

Mr. BALL. In relation to mailing checks, it is interesting to note that a few years ago, just for this reason, Mr. Christgau initiated a

combined check for social security beneficiaries. We had up to that time a check going out for a husband and another check for his wife, because this is the way the law is written, actually. But to save considerable money just in postage and in paper and so on, we are now writing a combined check, whenever the husband and wife are willing. If the husband and wife desire it separately, we will still do it separately.

Mr. FUTTERMAN. This is a sort of light touch about the paper—years ago when we were using more punched cards than we use today, we were recapturing for the trust fund \$100,000 a year for wastepaper.

CHECKS MAILED TO FOREIGN COUNTRIES

Mr. MICHEL. How many checks are mailed to foreign countries?

Mr. BALL. About 127,000 people now abroad.

Mr. MICHEL. Involving how much money?

Mr. FUTTERMAN. It is \$8,200,000 a month. Just under \$100 million a year.

Mr. MICHEL. Would there be any figures to show roughly where most of these have gone?

Mr. CHRISTGAU. Yes.

Mr. BALL. We could put it in the record.

(The figures follow:)

Countries in which most foreign beneficiaries reside, in order of number of beneficiaries, Dec. 31, 1962

Country	Number	Monthly amount
Italy.....	30,648	\$2,026,431
Canada.....	17,414	1,056,760
Greece.....	12,186	810,397
Germany.....	6,659	486,225
Philippines.....	6,649	311,693
United Kingdom.....	6,428	452,596
Mexico.....	5,669	283,739

SEEKING OUT NONFILERS

Mr. MICHEL. You speak of the hundred thousand people who have been sought out to file who maybe normally would not have filed.

Who would these people be, generally?

Mr. BALL. There are several categories. The law has been amended several times in recent years, and some of the provisions are very complicated. We became concerned that some individuals, in spite of all the publicity we give the program, did not really recognize that they could be entitled to a benefit, and to just illustrate one category——

Mr. MICHEL. But if they are delinquent in filing, there is always provision for retroactive payments?

Mr. BALL. For 12 months, just 12 months. Some people have lost significant benefits by not filing on time.

Now, one category are the people who are working. There is a widespread impression that if you earn more than \$1,200 a year you are not entitled to social security benefits. That is not true.

The Congress amended the law so that even though you earn more than \$1,200 you will get some of your benefits, up to earnings—in the maximum case—of about \$3,000 for a wage earner without dependent beneficiaries.

Among people earning between \$1,200 and \$3,000, many of them did not realize that they could apply and get some sort of benefit.

That is one group. What we did, using the electronic equipment, was to locate individuals in our records who had not filed applications and who were insured. They met the earnings requirements, and had earned in the last year less than the allowable amount that I was previously talking about.

So there is a good likelihood that they will be eligible for a benefit. In effect, what we did is write them with the last address we had. Something over a hundred thousand claims have resulted and the people are very grateful.

Mr. MICHEL. I imagine so.

QUESTIONNAIRE FOR REPRESENTATIVE PAYEE

Now, one final area and I have got to pick a little bone with you here.

You spoke of these recipients who cannot act for themselves, and the possibility of some studies even being made in that area.

I have brought to mind at least one case out in our district where an older father cannot act for himself, but his son is eligible for, I think, \$50 or \$60 payment and is taking real good care of him. He has him in a very fine nursing home.

Well, some time ago he brought to my attention forms which were sent to him since he was acting for his father—depositing the checks, making payment, et cetera—and I was really taken aback because of the number of questions and depth of inquiry of those forms which the son had to fill in.

For example, what amount of money is deposited in the bank, and the number of stocks and bonds being held.

It practically went into the history of the son's financial affairs, which to my mind was going altogether too far.

My point was that I did not see that there was any obligation on his part to say anything other than the fact that he was taking care of his father in a nursing home, which is costing \$130 to \$150 a month. You are only providing \$50 or \$60 in Social Security, and in this case it seems to me that all he would have to do would be to justify or show that he is taking care of his father in a legitimate bona fide nursing home, which costs much more than his payment.

I would like to know how you justify such an inquiry in depth in the financial affairs of the other members of the family?

Mr. BALL, I realize that some protective measures are necessary or some unscrupulous character would be taking advantage of the program to make money.

But I think these cases would be very few and far between.

Mr. BALL. I would be very happy to look at the details and see whether in the kind of case you suggest we should or should not have that much information.

But let me state the fundamental idea we have in mind here regardless of whether this or that specific question should be asked.

We operate in the representative payee area under a very broad discretionary grant of authority by the Congress.

Congress has said to us, for convenience in handling this program, you in the Social Security Administration have the right to select an individual to make another person's payment to if that person cannot handle his own funds.

Now, we have felt in exercising that authority that it was incumbent upon us to ask for an accounting of how he spends money that really belongs to the beneficiary, much as a court would in a guardianship situation.

Now, actually, this procedure is a relatively new one. We had not done it for all representative payees until just a couple of years ago.

Personally, I feel that it is really very important that we should get an accounting of how an individual is spending another individual's funds, but I would not necessarily want to defend every question on that form. We will be glad to look into it.

Mr. MICHEL. I wish you would.

I think that it could be simplified a great deal, particularly when it is so obvious that \$50 or \$60 a month is covering very little of a person's care; and it is being done in as fine fashion as these folks are doing for their father. There ought to be a more simplified way of their assuring you that they are adequately taking care of it.

Mr. FUTTERMAN. Usually our practice, when it is a family member who is receiving payments, is to accept a very simplified statement that all the money is being used for the beneficiary.

Generally, it is when some other individual than a close relative is selected that we have to have a more careful accounting of the funds.

Mr. MICHEL. I do not have forms with me but it involves two pages. And in this case it is a father-son relationship. The son works in a bank himself and of course he says, "look at everything they are asking me for."

Mr. FUTTERMAN. Are you clear it is not the son's money, it is the money paid to him on behalf of a beneficiary, that we needed the accounting for?

Mr. BALL. Mr. Michel understands that.

Mr. MICHEL. Of course, you have no right to know what the son has in stocks, bonds, or anything else. That should not concern you folks at all.

I will go back to those forms. I read them over hurriedly as he showed them to me through the teller window.

Mr. BALL. It does concern us how he spends the money he receives on behalf of the beneficiary.

Mr. MICHEL. I have no quarrel with that. But the nature of this form appears to require, in addition, that he must tell what is he doing with the rest of the money.

Mr. BALL. Sometimes accumulation of funds is concerned. A puts B's money in the bank, and there would be inquiries perhaps related to savings accounts and that sort of thing that could be misinterpreted.

I will be very glad to look at it.

Mr. MICHEL. That is all.

STUDY OF APPEALS PROCESS

Mr. DENTON. One question.

Is not some lawyers group making an investigation in the District of Columbia, too?

Mr. BALL. If it is what I am thinking of it has been completed. Mr. Horsky was on contract with the Commissioner's office to study the appeals process.

Mr. DENTON. That was it.

Mr. BALL. We have a report from them and, as a result of his report and the Harrison subcommittee and several other reports, there were considerable changes made in the appeals setup. We now have a Bureau of Hearings and Appeals, including considerably more adequate administrative staff.

We have made some changes in degree in the independence, I would say, of the individual hearing examiners and in other ways modified the process in line with that study.

INTERNATIONAL SOCIAL SECURITY ADMINISTRATION MEETING

Mr. DENTON. Let us take up the International Social Security Association meeting. You are asking for a total of \$95,000, including not to exceed \$14,000 for official receptions and representation expenses.

Mr. BALL. Yes.

Mr. DENTON. Last year you were given \$11,000, which was in the Commissioner's budget to prepare for this conference.

Mr. BALL. Yes.

EXPLANATION OF REQUESTED BILL LANGUAGE

Mr. DENTON. We will put pages 67 and 68 in the record. (The material referred to follows:)

INTERNATIONAL SOCIAL SECURITY ASSOCIATION MEETING

EXPLANATION OF LANGUAGE

Employment of persons without regard to civil service regulations and the provisions of the Classification Act.—The positions to be filled will all be temporary and of short duration (6 months or less); the positions will call for combinations of work skills and language fluency which are not readily available; and the skills needed may change during the short period involved, necessitating immediate changes in the staff. The problem involved in locating fully qualified people and then getting them to take these short-term positions are such that the necessity for compliance with the civil service regulations and the Classification Act might well make filling the positions impossible.

Employment of aliens.—The multilingual nature of this conference requires special language abilities in the staff positions. For example, the use of United Nations interpreters is contemplated to assure accurate reporting of conference affairs. Since the availability of American citizens with the necessary language abilities is conjectural, restricting hiring to American citizens only could be a serious handicap in carrying out the conference activities effectively.

Hire of passenger motor vehicles.—In addition to the rental of motor vehicles from GSA interagency pool and services of drivers, authority is requested to hire passenger motor vehicles in cases where GSA is unable to furnish cars and drivers. The ISSA meeting will be held during a regular workweek and the only cars available will be the excess cars over and above the U.S. departments' regular requirements for transportation. In addition, it will be necessary to charter buses or other motor vehicles to transport delegates and key foreign officials to

observe social security activities, particularly the Social Security Administration headquarters in Baltimore. It is important to keep delegates speaking the same language in a group due to the limited number of interpreters. It will also be necessary to charter buses to transport delegates between hotels and place of meeting.

Printing and binding without regard to section 11 of the act of March 1, 1919 (44 U.S.C. 111).—The funds requested for printing and binding will not only cover the work to be requested from the Government Printing Office but also the work that will need to be completed at the meeting and during the meeting. There will be last minute speeches to be duplicated in several languages prior to the meeting, last minute changes in program material, reports, and technical papers to be presented at the meeting and informational material. It will be necessary to contract with firms for the typing and duplicating plates of the above material in languages other than English or standard type, for instance Japanese script and Russian characters. Many of these reports, speeches, and technical papers may be requested for use within 24 hours.

Rents in the District of Columbia and elsewhere.—It is assumed that space will be furnished by the Department of State for the meeting. However, due to the uncertainty of the availability of Department of State facilities, it may be necessary to rent offices for the Secretariat and staff from Geneva for a short time.

Official reception and representation.—Language included for this purpose is to permit payment of reception, luncheon, and refreshment costs.

Multiyear availability.—Because the costs of the meeting, in addition to those already incurred in fiscal year 1963, will extend into fiscal year 1965, language is requested which will permit appropriated funds to remain available for obligations through June 30, 1965. It is estimated that \$75,000 of the \$95,000 appropriation request will be obligated in fiscal year 1964, and the remaining \$20,000 in fiscal year 1965.

Mr. DENTON. Is there anything more that you want to say?

Mr. BALL. Nothing, Mr. Denton, that I am really able to say officially.

I would want to point out just for the possible future interest of the committee that the consultant that we have asked to work on this program is a former Commissioner of Social Security, Mr. William Mitchell, and he has expressed to me some concern about the \$14,000 limitation on entertainment. I just wanted to say that at some future time after we have discussed it within the Department and with the Bureau of the Budget, we might want to seek some increase within the overall figure for that \$14,000 limitation.

As we have gotten into the detailed planning, Mr. Mitchell thinks that amount may be a handicap.

BENEFITS OF INTERNATIONAL MEETINGS

Mr. DENTON. I know they have held these international meetings several times before in various sections of the world.

Do we get any benefits out of these meetings or do the other countries get more from us by way of information and exchange of ideas?

Mr. BALL. I think it is a mutual thing. I actually attended the last one myself in Istanbul and there were about 60 countries represented there.

As you undoubtedly know, the Central European countries have very old systems. They have been struggling with some of the same problems we have longer than we have and the exchange of information and experience among the different countries I think is quite valuable. Beyond that, the recognition abroad of the fact that the United States does have a very comprehensive and effective social security program to my mind is invaluable in promoting understanding throughout the

world of our concern for human beings. I have been amazed at the number of times that I have run into foreign visitors who in effect said, "We didn't know you had a social security program. We thought the United States wouldn't go into a thing like that." It is part of the propaganda of the Iron Curtain countries to present the United States as a country without humanitarian interests, of course, and the knowledge among experts of exactly what our program is has had a good effect in this way aside from the technical exchange of information.

Mr. MICHEL. How, for example, does our cost of administration compare with other countries? Would those comparable figures be discussed?

Mr. BALL. Yes, there is a special committee on methods and organization, one of the subcommittees of the International Social Security Association, and they work on trying to spread from one country to the other a good way of doing something, because their problems are similar.

Mr. MICHEL. Can you point to anything specifically we have selected from one of the other systems to improve our system?

Mr. BALL. In the areas of methods and organization, frankly, Mr. Michel, I can't think of anything right now. Mr. Futterman on my left has worked with that committee. But there are certainly program ideas. It is hard to say where an idea originally comes from, but the discussions with representatives of other countries are useful. How they have done such a thing, if I may use an example, as designing their program to be responsive to changes in prices and wages could make an important contribution to our thinking about what we might want to recommend here. The West German system, for example, has a program which automatically changes the benefits as wages and prices go up.

As you know, we fix benefit rates by statute, and I am not sure that their way is better. I am just saying it is a different method that ought to be considered.

Mr. MICHEL. Other than disability features in our own program, do any of the other countries have a lower retirement age than say 62?

Mr. BALL. The retirement ages in several countries are lower. In several, the age is 55, if I remember correctly. Sixty is quite common.

On the other hand, some of the Scandinavian countries go to 67.

COST OF PREVIOUS MEETINGS

Mr. MICHEL. Now, in these last several places where these meetings have been held, you spoke of Istanbul, Turkey. So you know what the Turkish Government contributed for that last conference?

Mr. BALL. I don't, but I can get it.

Mr. MICHEL. Will you get it for the record?

Mr. BALL. Yes, I can get it from our sources, Mr. Michel.

Mr. FUTTERMAN. This amount is related to the experience of other countries.

Mr. MICHEL. If you can get for the record a figure for the last two, it might help.

Mr. BALL. It may have to be an estimate, but I would be glad to do that. I might say, Mr. Michel, that for a conference of this size, probably 800 people, I really feel that \$100,000 is a very modest

amount when you consider the amount of work that needs to go into it.

(The requested information follows:)

COSTS AT THE LATEST TWO INTERNATIONAL SOCIAL SECURITY ASSOCIATION MEETINGS

The 1958 meeting held in London, with 460 persons in attendance, cost the Government approximately \$17,000 stated in terms of U.S. dollars, of this amount \$5,600 was for official entertainment and courtesies. There were additional expenses which were financed from non-Government sources. For example, the Lord Mayor of London gave and paid for a formal banquet. In addition, costs such as translation of documents, typing, printing and a good deal of staff time were absorbed by the Ministry of Pensions.

The 1961 meeting held in Istanbul, with about 500 persons in attendance, cost approximately \$42,000, of which \$17,500 was for official entertainment or an average of \$35 per person.

The cost of providing the same services in Istanbul and London 6 years ago, is of course very much less than in Washington today.

The amount in the 1964 appropriation request is \$95,000, of which \$14,000 is for official entertainment and courtesies. The attendance is estimated at 800 persons. The per capita average cost for entertainment, representation, and reception expenses is \$17.50.

ESTIMATE OF COST OF THIS YEAR'S MEETING

Mr. MICHEL. Now, let me say that there are some departments of Government, whole departments for an entire year on this representational allowance, in the neighborhood of say \$5,000—up to \$5,000. While it is pooled here with official receptions and representation allowances, it is still \$14,000.

Mr. BALL. That \$14,000 is just related to this conference. That is the entire thing.

Mr. MICHEL. That I appreciate. And I am just saying that when you look at that figure for one conference, as against what some of the departments have asked for representation allowances for an entire year, one wonders to what extent—well, this reception is really going to go. I am talking about the representation part of it. You know what I mean.

Mr. BALL. That breaks down so that about all you are able to do is have an affair for 800 people and a trip, an excursion. And that is about it.

Mr. MICHEL. It would be a hard thing to sell—a dinner and reception and an excursion for \$14,000. That is living pretty high off the hog.

Mr. BALL. I would be happy, Mr. Michel, to submit a breakdown on that.

Mr. MICHEL. All right.

(The information follows:)

ENTERTAINMENT EXPENSES—DERIVATION OF \$14,000 ESTIMATE

Estimate of \$14,000 was derived after consultation with the Department of State, and is based on an estimated attendance of 800 persons. The major costs are shown below:

The sum of \$11,500 is estimated for (1) reception; (2) buffet dinner, at \$8 a head; (3) official luncheon for the executive committee.

The sum of \$1,900 is estimated for special functions for the wives, such as trip to Mount Vernon, fashion shows.

The sum of \$600 is for coffee and tea to be served at the meeting.

Mr. MICHEL. That is all.

Mr. DENTON. Thank you, gentlemen.

WELFARE ADMINISTRATION

TUESDAY, MARCH 19, 1963.

WITNESSES

DR. ELLEN WINSTON, COMMISSIONER OF WELFARE
 JOSEPH H. MEYERS, DEPUTY COMMISSIONER OF WELFARE
 ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION
 JOHN J. HURLEY, ACTING DIRECTOR, BUREAU OF FAMILY SERVICES, WELFARE ADMINISTRATION
 MRS. KATHERINE B. OETTINGER, CHIEF, CHILDREN'S BUREAU, WELFARE ADMINISTRATION
 BERNARD RUSSELL, DIRECTOR, OFFICE OF JUVENILE DELINQUENCY AND YOUTH DEVELOPMENT, WELFARE ADMINISTRATION
 DR. DONALD P. KENT, DIRECTOR, OFFICE OF AGING, WELFARE ADMINISTRATION
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

BACKGROUND OF COMMISSIONER

Mr. FOGARTY. The committee will come to order.

We have before us now the Welfare Administration, and Dr. Ellen Winston, the Commissioner.

We are very pleased to have you with us this morning, Doctor.

We ask all people who appear before the committee for the first time to give us some of their background, so we will ask you the same question.

Dr. WINSTON. I became the Commissioner of Welfare on January 28, 1963. Prior to that, I had been for 18½ years the commissioner of welfare for North Carolina.

During those 18½ years, I was not only administratively responsible for our State public welfare program, but I also had the privilege of serving on a number of both governmental and other advisory committees that were helpful in terms of overall programing in the social security and social welfare fields.

Before I became Commissioner of Welfare, I was for 4 years the head of the Department of Sociology and Economics at Meredith College, which is a 4-year Baptist college in Raleigh, N.C.

And before that, I served with various Federal agencies, primarily in research and training programs.

I am a product of the North Carolina public schools and most of my graduate training was received at the University of Chicago.

GENERAL STATEMENT

Mr. FOGARTY. All right, go right ahead.

You have a statement for the committee.

Dr. WINSTON. Yes, I have a statement I would like to present.

My name is Ellen Winston. As the first Commissioner of Welfare, I welcome the opportunity of appearing before you in connection with your consideration of estimates for the programs of the new Welfare Administration.

The individual Bureau and Office heads will present the details of the budget estimates. I would, however, with your permission, like at this time to comment briefly upon the reorganization which established the Welfare Administration and to outline some of our most urgent program objectives.

BUDGET REQUEST FOR COMMISSIONER'S OFFICE

Mr. LAIRD. Mr. Chairman, did we receive a request from the Bureau of the Budget for funding of the Office of the Commissioner of Welfare?

Mr. FOGARTY. I confess I do not know. All I know is what is in the bill before us. That is what I have been going by.

Mr. LAIRD. Could I direct the question to the clerk of the committee to find out if the request—

Mr. MOYER. No, there is no request from the Bureau of the Budget except for the Office of the Commissioner of Social Security.

Mr. FOGARTY. All right, go ahead.

ESTABLISHMENT OF WELFARE ADMINISTRATION

Dr. WINSTON. The Welfare Administration was established on January 28, 1963. Its components are the Bureau of Family Services, the Children's Bureau, and the Cuban refugee program, formerly in the Social Security Administration; and the Office of Aging and the Office of Juvenile Delinquency and Youth Development, formerly in the Office of the Secretary of Health, Education, and Welfare.

The establishment of the Welfare Administration constitutes the first major realignment of welfare functions since the Department was established in 1953.

It brings together the principal welfare programs of the Department of Health, Education, and Welfare under a Commissioner who can devote full time to them.

These programs include the Federal-State financial assistance and service programs for the needy; the children's programs under the grants for maternal and child health, child welfare services, and related programs; stimulation and coordination of programs for the aging; the administration of the demonstration projects, training grants and technical assistance in the field of juvenile delinquency prevention; and the provisions of employment opportunities, health, education, and welfare assistance to needy Cuban refugees in the United States, most of whom are located in Miami, Fla.

The programs of the Bureau of Family Services and the Children's Bureau have become increasingly complementary over the last few years.

This desirable trend should be continued. There is a similar need to closely coordinate the programs of these Bureaus with the aging and the juvenile delinquency programs.

The inclusion of all of these programs in the same organization under a Commissioner who can devote full time to their direction should greatly facilitate this intermeshing of program interests.

The Cuban refugee program, being welfare oriented, will also benefit increasingly from closer association with the other programs.

Thus, the establishment of a separate Welfare Administration should unify and strengthen the total welfare program of the Federal Government.

Moreover, an opportunity is provided for stronger efforts and relationships in the welfare field among all levels of government—Federal, State, and local; and for increased emphasis on working with voluntary social agencies and a wide range of community groups concerned with social welfare needs and programs in their localities.

It is certainly our intention to encourage and foster such efforts.

The 1962 public welfare amendments provide additional Federal financial support for professional training and services, and include a number of other improvements aimed at reducing dependency.

OVERALL APPROACH TO WELFARE PROBLEMS

Our overall approach, in keeping with the amendments, is to emphasize where possible the prevention of dependency through constructive services.

In public welfare, as in health, a timely ounce of prevention is worth a pound of cure. We believe it is far better to prevent dependency and other social ills than to have to try to rehabilitate those already receiving assistance or other special services.

But it is also far better to rehabilitate assistance recipients than to attempt to reduce the assistance load through devices which still leave people in dire need.

The approach we support will require the combined efforts of Federal, State, local and private agencies, if we are to succeed.

More effective leadership, improved services, and better trained staff are essential if we are to give a new look to the public welfare program.

The potential for results certainly warrants our wholehearted efforts. Our success in attaining our objectives will be measured by the extent to which opportunities are made available:

To children to rise above the handicaps of deprivation, delinquency, and neglect;

To the disabled to fully utilize their capacities;

To the ill to receive needed medical care;

To the aged to enjoy useful and satisfying lives;

To families to obtain needed help and guidance in resolving a wide range of special problems;

To the more vulnerable in the population an opportunity to avoid personal disaster through effective preventive measures.

Mr. Chairman, I would like to conclude with the sincere hope that next year when we again appear before this committee we can report substantial gains. Certainly if conviction and hard work will achieve such results, we shall be successful.

I shall be glad to answer any questions which the committee might have, either now or during the course of the hearings.

Mr. FOGARTY. Well, Doctor, I assume you will stay through the hearings on these budget requests.

Dr. WINSTON. Yes, I shall be here all day.

Mr. FOGARTY. We will ask our questions when the individual appropriations are considered.

How is Mr. Wynkoop doing?

Dr. WINSTON. He is doing just fine. It is wonderful to inherit an officer who runs the business of your administration as admirably as he does.

Mr. FOGARTY. Well, that is our opinion too.

Mr. WYNKOOP. Thank you, sir.

Mr. FOGARTY. We think he has been doing a good job for a long time.

Mr. WYNKOOP. Thank you, sir.

Mr. FOGARTY. We will start then with your first budget request. That will be the Children's Bureau.

Any time you would like to say something regarding these justifications, you may.

Dr. WINSTON. Thank you.

CHILDREN'S BUREAU

WITNESSES

MRS. KATHERINE B. OETTINGER, CHIEF, CHILDREN'S BUREAU
DR. ARTHUR J. LESSER, M.D., DIRECTOR, DIVISION OF HEALTH SERVICES

MISS MILDRED M. ARNOLD, DIRECTOR, DIVISION OF SOCIAL SERVICES

GORDON FORTNEY, ADMINISTRATIVE OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GRANTS FOR MATERNAL AND CHILD WELFARE

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Maternal and child-health services.....	24,844	25,000	25,000
2. Crippled children's services.....	24,638	25,000	25,000
3. Child-welfare services.....	18,648	25,000	33,000
4. Research, training, or demonstration projects in child welfare.....	219	795	4,000
Total program costs, funded—obligations (object class 41).....	68,349	75,715	87,000
Financing:			
Unobligated balance lapsing.....	751		
New obligational authority (appropriation).....	69,100	75,795	87,000

GENERAL STATEMENT

Mr. FOGARTY. All right, Mrs. Oettinger. Do you have a statement for the committee?

Mrs. OETTINGER. Yes, sir; I have a statement and I also have a summary.

Mr. FOGARTY. Put the full statement in the record and then you can take as much time as you want.

(The statement follows.)

GRANTS FOR MATERNAL AND CHILD WELFARE, CHILDREN'S BUREAU, 1964
ESTIMATE

INCREASE REQUESTED

The 1964 estimate of \$87½ million for "Grants for maternal and child welfare" represents an increase of \$7,555,000 over the amount of \$79,445,000 anticipated to be appropriated for this purpose for fiscal year 1963. Of the latter amount, \$75,795,000 was appropriated under the 1963 Appropriation Act. An additional \$3,650,000 is proposed in a supplemental estimate now before the Congress for the purpose of implementing the child welfare provisions of the Public Welfare Amendments of 1962 (\$3 million for day care services and \$650,000 for training projects in child welfare. Funds for these purposes were approved last year by both the House and Senate but the supplemental appropriations bill in which they were included failed of enactment.)

The amount requested for the fiscal year 1964 would provide \$25 million each for grants to the States for (1) maternal and child health services, and (2) crippled children's services. For these two programs, the amounts requested are the same as appropriated for the current fiscal year and the maximum authorized for annual appropriation under the present provisions of title V.

An appropriation of \$33 million is proposed for grants to the States for child welfare services. This represents an increase of \$5 million over the \$28 million anticipated to be appropriated for 1963. All of this increase would be earmarked for day care services under the State child welfare plans, in accordance with the provisions of the Public Welfare Amendments of 1962.

The remainder, \$4 million, would be for research, training, or demonstration projects in the field of child welfare. This represents an increase of \$2,555,000 over the amount anticipated to be appropriated for 1963. It would provide \$2,250,000 in research and demonstration grants, and \$1,750,000 in training grants. Of the total increase, \$1 million will be used for research, training, or demonstration projects related to mentally retarded children.

MATERNAL AND CHILD HEALTH SERVICES

Grants are provided to enable States to extend and improve services for promoting the health of mothers and children, especially in rural areas and areas suffering from economic distress. The States must provide matching funds for one-half of the amount appropriated. The balance is not matched. State plans for the use of maternal and child health funds are made by State health agencies. The services are largely provided by local health departments.

Maternal and child health services in the States.—States use the funds to pay the costs of conducting prenatal clinics where mothers are examined by physicians and get medical advice; for visits by public health nurses to homes before and after babies are born to help mothers care for their babies; for well-child clinics where mothers can bring their babies and young children for examination and immunizations and where they can get competent advice on how to prevent illnesses and where their many questions about care of babies can be answered. Such measures have been instrumental in the reduction of maternal and infant mortality, especially in rural areas. The funds are also used to make available doctors, dentists, and nurses to the schools for health examinations of school-children and advice to parents on where to get medical or dental care if needed, and also for immunizations. Some States also provide for the medical and hospital care of premature babies in special hospital centers that meet certain standards and for mothers with complications of pregnancy.

Practically all States use some of the funds for improving the quality of services to mothers and children by providing special training opportunities to physicians, nurses, nutritionists, medical social workers, and other professional personnel.

Special projects.—A portion of the funds appropriated for maternal and child health services is reserved for special projects in this field. Two examples of these special project grants are as follows:

The Harvard Medical School and Children's Hospital in Boston have undertaken a special project providing for training in family medical practice. This program, designed for interns who have had at least 2 years of hospital training, will better prepare physicians in the management of everyday problems of childhood, social and behavioral disturbances, in the practice of preventive medicine, in working with community health agencies, and in the recognition of genetic and environmental factors in disease.

Under another special project grant, the George Washington University School of Medicine and the Children's Hospital in Washington, D.C. are developing a

training center in adolescent medicine. The problems of adolescence have become of increasing concern and demonstrate how little is known about this critical period in growing up. This grant provides training for resident physicians and interns in the medical, psychological, and social problems of teenagers and in the management of these problems.

Mentally retarded children.—Maternal and child health funds are also used for special programs for mentally retarded children. Reports from the State indicate that the 46 States with special clinical programs for the mentally retarded provided services to over 15,500 such children and their families in the 1961 calendar year compared to approximately 12,000 children and their families in 1960. In addition to this increase, the number of cases which remain active for more than a year and receive continuing care over that extended period of time has increased sharply in the past 3 years (for 38 States, from 5,144 cases in 1959 to 8,772 cases in 1961). Despite this increase in service to a greater number of families, applications continue to exceed the resources of these clinics. In 1961, 43 of the States with special clinical programs reported 2,670 applications for service which they could not handle that year.

CRIPPLED CHILDREN'S SERVICES

Grants are made to the States to extend and improve services for locating crippled children, and for providing medical, surgical, corrective, and other care and services for children who are crippled or who are suffering from conditions which lead to crippling. The States are required to match one-half of the amount appropriated. The balance is allotted on the basis of need and is not matched. State plans for crippled children's services are developed by the State crippled children's agency and services provided by State and local agencies.

Crippled children's services in the States.—All State crippled children's agencies want to make their services increasingly available to children with all kinds of handicaps, nonorthopedic as well as orthopedic. The latter account for about 48 percent of the children who received medical services last year. The hard of hearing represent about 6 percent, rheumatic fever 3 percent, cerebral palsy 8 percent, epilepsy over 2 percent.

Approximately 279,000 children attended diagnostic and treatment clinics, a 3-percent increase over the previous year. These children made 606,000 clinic visits. Hospital care was provided 65,000 children, somewhat more than the year before, averaging 20.4 days' care. Hospital care accounts for about 37 percent of the expenditure of the Federal crippled children's funds.

The number of children with congenital heart disease receiving services in 1961 was 20,000, whereas in 1960 it was 16,784. Hospital facilities for surgery are becoming increasingly available to take care of the large numbers of these children seeking care.

Special projects.—A portion of the appropriated funds for crippled children is reserved for special projects in this field. An example is the special project grant made to the Michigan Crippled Children's Commission for the Area Child Amputee Center. Children from Michigan, as well as from other States, who have congenital or acquired amputations receive here the best prostheses and training in their use that is available. This program has just contracted with Northwestern University for the development of an artificial arm that is externally powered by carbon dioxide gas or by electricity. Such arms are needed for children born with a complete absence of the upper extremities; they are not available in the United States but their prototype has been developed in Heidelberg, Germany.

CHILD WELFARE SERVICES

Federal grants are made to State public welfare agencies under title V, part 3, of the Social Security Act to enable the States to establish, extend, and strengthen State and local child welfare services. The law provides that such grants be made on the basis of State plans for child welfare services developed jointly by the State agency and the Secretary of the Department of Health, Education, and Welfare. The State agency administers the plans, and the services are provided by State and local agencies.

Public Welfare Amendments of 1962.—Under the Public Welfare Amendments of 1962, the ceilings authorized for annual appropriations for child welfare grants are to be increased gradually from \$30 million for fiscal year 1963 to \$50 million by 1969, in order to provide a wider range of constructive welfare services for children.

The 1964 authorization under the Public Welfare Amendments is \$35 million. The 1962 amendments provide that the excess above \$25 million, up to a maximum of \$10 million of the annual appropriation for child welfare services, is to be earmarked for provision of day-care services. The day-care funds are allotted among the States on a formula basis with a minimum State allotment of \$10,000. For the fiscal year 1963, \$5 million is authorized for day-care services and a supplemental estimate of \$3 million has been requested for this fiscal year. These funds will enable the States to start day-care programs in the latter part of the fiscal year and to provide the framework to establish day-care standards and to assure that the care is in the best interest of the child and his mother.

Increase proposed for day-care services in 1964.—There are about 15 million children under 18 years of age in the United States whose mothers are working. Mothers of about 4 million children under 6, and another 5 million children between the ages of 6 and 11 are now in the labor force. Moreover, studies show that the proportion of mothers working increases in inverse ratio to family income. One out of every four married women with children under 6, and whose husband earns less than \$3,000 a year, is in the labor force; when the husband's income is \$7,000 or more, the proportion is only 1 out of 10. A 1958 survey showed that over 400,000 children under 12 had no plans for their care and were expected to care for themselves while their mothers worked full time. Yet, only about 185,000 children can now be cared for in licensed day-care facilities throughout the United States.

Besides children of working mothers, other special groups of children also need this service. Mentally retarded children are among these. Public responsibility for the administration and support of day-care centers for retarded children was recently extended in California, Connecticut, Maryland, and Minnesota. At least eight States now make provision for such services. Since 96 percent of the mentally retarded remain in the community, States will need to continue to explore and emphasize programs which are directed toward meeting the social needs of the mentally retarded children.

The 1961 Bureau report on "Children in Migrant Families," prepared at the request of the Senate Appropriations Committee, clearly showed the lack of day-care services and facilities for children in these families. Several States have provided in their child welfare services plans for the beginning of such services for these children. But, in the main, these have been established only on a pilot basis.

The \$8 million earmarked for day-care services, of the \$33 million appropriation requested for child welfare services in fiscal 1964, will enable the States to move forward to establish day-care centers, to improve the quality of care in day-care centers and family day-care homes through the important tools of licensing and consultation and purchase of care, and to work cooperatively with voluntary agencies so that all well-qualified resources may be effectively utilized.

RESEARCH, TRAINING, OR DEMONSTRATION PROJECTS IN CHILD WELFARE

The purpose of the child welfare research and demonstration grants, as enacted in 1960, is to provide support to agencies, organizations, and institutions of higher learning for (1) special research and demonstration projects which are of regional or national significance, and (2) special projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare. These provisions were amended in 1962 to add authorization for grants to institutions of higher learning for training projects in the field of child welfare. This provision is effective with fiscal year 1963. A supplemental appropriation request for 1963 of \$650,000 to implement this training provision is now before Congress.

Research and demonstration projects.—The first grants for research and demonstration projects were made in the fiscal year 1962. Sixty-four applications for grants were received in time to meet the deadline for fiscal year 1962. These were carefully screened for pertinency, relevancy in relation to the legislative intent and priority areas for investigation recommended by an ad hoc advisory group to the Children's Bureau in 1961. Sixteen projects were approved for grants totaling \$219,413 in 1962. These include projects relating to: Adoptions, services to children in own homes, day care, foster care, unmarried mothers, mentally retarded children, emotionally disturbed children, staff utilization, and educational materials and methods. Eight of the first grants went to institutions of higher learning, six to voluntary agencies, and two to public agencies.

In 1963 it is estimated that the \$795,000 available for child welfare research or demonstration grants will finance about 30 projects—three-fourths of them new and one-fourth projects continued from 1962.

The response to this new program has more than exceeded expectations. Projects have been designed which should be invaluable in evaluating the effectiveness of present child welfare practices and treatment methods, in experimenting with new methods and techniques to improve the social services provided children and their families, and in finding answers to problems that impede progress in improvement of services.

The 1962 Public Welfare Amendments in relation to day care, coverage, and improvement of child welfare services will stimulate the development of research and demonstration projects in a number of additional areas; new methods of staff development; new ways of utilizing staff to improve the quality of services; testing the effectiveness of methods of organization and administration of services to achieve coverage; experimentation with new uses of day care, homemaker services and other preventive social tools; new approaches in community organization and coordination, as well as in other areas where advances must be made to achieve the legislative goal set for child welfare services by 1975.

In the light of these developments, it is estimated that \$2,250,000 will be requested for research and demonstration projects in the child welfare field. This would finance about 70 new projects in 1964 and about 14 projects continued from 1962 and 1963.

Training of personnel.—The remaining \$1,750,000 included in the request for 1964 is the estimate for grants to public or other nonprofit institutions of higher learning for special projects for training personnel in child welfare, including traineeships. This will enable further gains to be made in meeting the serious national shortage of skilled child welfare workers. As State child welfare agencies move to meet the requirements that child welfare services be available in all political subdivisions, the demand for trained staff will be greater than ever before. Heavy demands can be expected to be made upon child welfare agencies as their staff provide consultation and services to families receiving aid to dependent children as required by the 1962 Amendments to the Social Security Act. A minimum of 10,000 additional trained public child welfare workers will be needed by 1970 by conservative estimates to maintain the present level of services for the expected rise in child population by that date.

The estimate for 1964 provides for three major types of training activities:

1. An estimated \$700,000 is needed for traineeships in child welfare to be offered by graduate schools of social work. It is estimated that this amount will provide a year of training for about 225 child welfare workers.

2. An estimated \$700,000 is needed for grants to graduate schools of social work to expand opportunities for field instruction in child welfare, to develop curriculum for the field, and to strengthen teaching staff. The increase requested for 1964 will assist schools to expand their resources to enable meeting anticipated increased enrollments. These funds will also be used by the schools of social work to finance a much-needed increase in the number of supervised field placements in child welfare.

3. An estimated \$350,000 is needed for grants to institutions of higher learning for seminars and institutes, summer workshops, and short-term courses to improve the quality of inservice training presently available in child welfare agencies, and for upgrading through special training projects, the level of service offered by nonprofessional and auxiliary child-care personnel, particularly those in group settings. Houseparents in institutions, day-care center staff, and homemakers are among the types of nonprofessional workers who are in close, daily contact with children and who would benefit greatly from the intensified training made possible through such projects. With the increased training grants, special projects for the development of curriculum for nonprofessionals can be advantageously supported.

Mentally retarded children.—During 1964 special emphasis will be given to grants for research, demonstration, and training projects which will lead to expanding and strengthening child welfare programs for mentally retarded children.

Child welfare services carry a heavy responsibility for these children. Of special concern is the large number of mildly retarded children in deprived homes who often come to the attention of the child welfare agency through neglect, dependency, or delinquency. Child welfare agencies need more knowledge about the problem, greater opportunity to experiment with new programs and techniques, and additional resources to strengthen and support existing programs for mentally retarded children.

About \$1 million of the amount requested for research, training, and demonstration projects will be devoted to services for mentally retarded children. There will be research and demonstration projects providing for experimentation with

specialized types of facilities including foster family homes and day-care centers; studies of the impact of family relationships and living conditions on growth and development of retarded children from deprived homes; studies of ways of coordinating programs for mentally retarded children; and demonstrations of inservice training of child welfare workers and personnel in institutions and agencies caring for mentally retarded children. There will also be grants to institutions of higher learning to provide additional training for child welfare staff to work with mentally retarded children.

Mrs. OETTINGER. I will just give you a brief statement of the 1964 estimates for the grants for maternal and child welfare, Children's Bureau.

INCREASES REQUESTED FOR 1964

The 1964 estimate of \$87 million for "Grants for maternal and child welfare" represents an increase of \$7,555,000 over the amount of \$79,445,000 anticipated to be appropriated for this purpose for fiscal year 1963.

Of the latter amount, \$75,795,000 was appropriated under the 1963 appropriation act while an additional \$3,650,000 is included in a supplemental estimate now before the Congress for the purpose of implementing the child welfare provisions of the Public Welfare Amendments of 1962 (\$3 million of this for day-care services and \$650,000 for training projects in child welfare).

Funds for these purposes were approved last year by both the House and Senate, but the supplemental appropriations bill in which they were included failed of enactment.

The amount requested for the fiscal year 1964 would provide \$25 million each for grants to the States for (1) maternal and child health services, and (2) crippled children's services.

For these two programs, the amounts requested are the same as appropriated for the current fiscal year and the maximum authorized for annual appropriation under the present provisions of title V:

An appropriation of \$33 million is proposed for grants to the States for child welfare services. This represents an increase of \$5 million over the \$28 million anticipated to be appropriated for 1963. All of this increase would be earmarked for day-care services under the State child welfare plans, in accordance with the provisions of the Public Welfare Amendments of 1962.

The remainder, \$4 million, would be for research, training, or demonstration projects in the field of child welfare.

This represents an increase of \$2,555,000 over the amount anticipated to be appropriated for 1963.

It would provide \$2,250,000 in research and demonstration grants, and \$1,750,000 in training grants. Of the total increase, \$1 million will be used for research, training, or demonstration projects related to mentally retarded children.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Permanent compensation:			
Permanent positions.....	1,981	2,233	2,561
Positions other than permanent.....	39	33	37
Other personnel compensation.....	4	2	24
Total personnel compensation.....	2,024	2,268	2,622
12 Personnel benefits.....	141	158	179
21 Travel and transportation of persons.....	189	221	252
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	35	38	45
24 Printing and reproduction.....	159	163	216
25 Other services.....	5	4	4
Services of other agencies.....	43	35	48
26 Supplies and materials.....	19	20	21
31 Equipment.....	10	10	9
Total obligations.....	2,630	2,922	3,401

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	267	277	300
Full-time equivalent of other positions.....	5	4	4
Average number of all employees.....	239	251	273
Number of employees at end of year.....	241	255	283
Average GS grade.....	9.5	9.7	9.7
Average GS salary.....	\$8,437	\$9,200	\$9,299

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. State and local health services for children.....	876	933	1,017
2. State and local social services for children.....	483	585	755
3. Technical assistance to States and communities for juvenile delinquency programs.....	231	297	316
4. Research in child life and services for children.....	349	434	546
5. Information for parents and others working with children.....	367	344	410
6. Administration.....	331	327	358
Total program costs, funded.....	2,637	2,920	3,402
Change in selected resources ¹	-7	2	-1
Total obligations.....	2,630	2,922	3,401
Financing:			
Unobligated balance lapsing.....	37		
New obligational authority.....	2,668	2,922	3,401
New obligational authority:			
Appropriation.....	2,668	2,853	3,401
Transferred to "Operating expenses, Public Buildings Service" General Services Administration (76 Stat. 728) (-).....		-3	
Appropriation (adjusted).....	2,668	2,850	3,401
Proposed supplemental due to pay increases.....		72	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$24,000; 1962, \$17,000; 1963, \$19,000; 1964, \$18,000.

Mr. FOGARTY. Do you want to cover also the salaries and expenses request?

Mrs. OETTINGER. Salaries and expenses?

GENERAL STATEMENT

Mr. FOGARTY. We will put the complete statement in the record and you may summarize it.

(The statement referred to follows:)

SALARIES AND EXPENSES, CHILDREN'S BUREAU, 1964 ESTIMATE

INCREASE REQUESTED

The 1964 estimate for "Salaries and Expenses, Children's Bureau" represents an increase of \$418,000 over the \$2,983,000 estimated for this purpose for the fiscal year 1963. Of the latter amount, \$2,850,000 is the 1963 adjusted appropriation. An additional \$133,000 for implementation of the 1962 Public Welfare Amendments and for increased pay costs is proposed in a supplemental estimate now before Congress (Funds for the implementation of the 1962 amendments were approved last year by both the House and Senate but the supplemental bill in which they were included failed of enactment).

The program increase requested for the fiscal year 1964 is for two general purposes: (1) to provide additional staff for the expansion of mental retardation activities; and (2) to initiate congressional allotments for the publication, "Your Child from One to Six."

FUNCTIONS OF THE CHILDREN'S BUREAU

The legal authority of the Children's Bureau for serving the children of the United States is contained in the basic act of April 9, 1912, creating the Bureau, and in title V of the Social Security Act under delegations by the Secretary of the Department of Health, Education, and Welfare and the Commissioner of Welfare.

Under its basic act of 1912, the Bureau is charged with investigating and reporting "upon all matters pertaining to the welfare of children and child life among all classes of our people." The Bureau studies many types of conditions affecting the lives of children, provides data and makes recommendations to improve practices in child health and child welfare programs, and helps establish standards for the care of children.

Under title V of the Social Security Act, as amended, the Bureau currently administers grants to States for three programs: (1) maternal and child health services; (2) crippled children's services; and (3) child welfare services. The Bureau also administers under title V a program of grants for research, training, or demonstration projects in the child welfare field.

OVERVIEW

The changing circumstances of child life call for continuing adaptation in programs affecting children so that these programs can be responsive to current needs of children. The following illustrations show in broad outline the dimensions of our efforts in behalf of children.

The estimated number of children under 18 in the resident population of the United States in 1961 was 65,854,000 or 36.4 percent of the total population.

Estimated birth figures for counties and metropolitan areas in 1960 highlight the increasing urban character of the Nation. The national total was 4,282,000. One-third of these were born to residents of the 24 metropolitan areas with a million or more inhabitants.

Infant mortality in the United States declined in 1961 for the third successive year. The provisional 1961 rate, 25.3 per 1,000 live births, set a record low, about 2 percent under the rate for 1960, the previous low (25.7), compared with 26.4 for 1959.

There were 224,000 births out of wedlock in the United States in 1960—the highest number on record. One out of every 20 babies (52 out of every 1,000 live births) in the United States is born out of wedlock—the highest ratio of births out of wedlock on record.

About 40 percent (89,000) of all mothers reported as bearing children out of wedlock in a year are teenagers, and 22 percent (48,000) under 18 years of age. The illegitimacy rate for teenagers doubled between 1940 and 1955 but has barely changed since.

Families continue to grow larger—having risen in average size from 3.54 in 1950 to 3.71 in 1961. The third and later children in the family make up nearly one-half of all of annual births as contrasted with only two-fifths of these births in 1940.

In 4,600,000 of this country's families, a woman is now the head; that is about 1 in 10 families. About 2 million of these women have children under 18. In over half of the families headed by a woman, the woman is the only wage earner.

For the first time in 13 years, the number of juvenile delinquency cases coming before the juvenile courts showed a slight drop in 1961 (1 percent) when the child population was increasing by 3 percent.

Mental retardation is a major problem in the United States today. As President Kennedy pointed out, in a special message on that subject, "Mental retardation strikes children without regard for class, creed, or economic level. Each year sees an estimated 126,000 new cases. But it hits more often—and harder—at the underprivileged and the poor; and most often of all—and most severely—in city tenements and rural slums where there are heavy concentrations of families with poor education and low income."

One out of every three high school students drop out of school without graduating. The proportion is declining, but the number of dropouts will likely increase during the 1960's because of the greater number of high school age youth. Studies show that youth who drop out of school get jobs less often, change jobs more frequently, earn less when employed, and are out of work longer than those who complete high school.

The baby boom that started at the end of World War II has become the youth boom of today. Each year during the remainder of this decade about 3½ million children will be reaching 16 years of age. In 1965 the number of youth reaching 18 years of age, the age when most of them enter the labor force or go on to college, will be about 50 percent higher than in 1960. Some 26 million of these young people will be looking for their first jobs in the 1960's.

In 1964, the Children's Bureau will continue its efforts to shape its activities to be responsive to the changing circumstances of childlife today.

STATE AND LOCAL HEALTH SERVICES FOR CHILDREN

In administering grants for maternal and child health and crippled children's services under title V of the Social Security Act, the Bureau's health services staff is working with State maternal and child health and crippled children's agencies in every State in meeting those problems which changing conditions bring.

This staff is composed of specialists in medical and related fields, such as pediatrics, nursing, physical therapy, medical social work, nutrition, and mental retardation. These staff members are available to the States for consultation. They also work with national voluntary organizations whose programs concern the health of children.

Mentally retarded children.—During 1963 and 1964, particular attention will continue to be given to activities relating to mentally retarded children. The Children's Bureau is carrying on a collaborative study with mental retardation clinics to determine the effectiveness of dietary treatment of phenylketonuria, the influence on development of the age at which treatment is started, and the length of time treatment is needed. The first step has been done, to obtain an inventory of cases of all ages known to the mental retardation clinics and the maternal and child health and crippled children's programs.

Particular attention will be given in 1963 to the implications for the maternal and child health and crippled children's programs of the report of the President's Panel on Mental Retardation. Emphasis will be placed on measures to improve the quality of maternity care especially for women in low-income families who have various problems associated with pregnancy. In view of the relationship between maternity care and some predisposing factors to mental retardation, our efforts to prevent retardation depend to a considerable degree on our ability to provide better maternity care.

Proposed increases in 1964.—The estimate provides for two new positions to assist in the implementation of activities recommended by the President's Panel on Mental Retardation. These positions would provide staff support in the followup of the President's Panel report and would serve to coordinate the accelerated activities in the field of mental retardation. There would also be responsi-

bility for working with other agencies in the Department which are active in the followup on the recommendations of the report.

STATE AND LOCAL SOCIAL SERVICES FOR CHILDREN

The Bureau is responsible for activities related to the development, extension, and strengthening of social services for children and youth. These include administration of grant-in-aid to the States for public child welfare services and of grants for research, training, and demonstration projects in the field of child welfare.

During 1963 and 1964, major attention will include (1) improvement and expansion of child welfare services through implementation of the 1962 child welfare amendments to the Social Security Act; (2) implementation of administrative actions of the Secretary, relating to coordination between the Children's Bureau and the Bureau of Family Services; and (3) development of social services for special groups of children such as (a) children born out of wedlock, (b) mentally retarded children, (c) children in urban areas, and (d) neglected and abused children.

Day-care services.—By July 1, 1963, the States' child welfare services plans, with respect to the day-care services, must provide for (1) cooperative arrangements with State health and education agencies for "maximum utilization of such agencies in the provision of necessary health services and education for children receiving day care," (2) a State advisory committee on day-care services, (3) criteria to assure that the provision of day care is to the best interest of the child and mother, (4) arrangements for payment of reasonable fees for day care by the families, and (5) determination of priorities for providing day-care services to special groups or geographic areas on the basis of need for extension of day-care services.

Bureau staff are developing a series of guides requested by the States to assist them in meeting these plan conditions to assure that children in need of day care are provided adequate care. Guides will also be prepared on such subjects as drafting and implementing State licensing legislation, standards for day care centers and family day care homes, health and educational aspects of day care programs, methods of determining priority of special groups or areas for day care services, criteria for assuring that the day care plan is in the best interest of the child and the family, and methods of determining reasonable rates for purchase of day care services and determining the ability of parents to pay for day care.

Training grants.—Basic to the extension of child welfare services is the 1962 amendment to title V, part 3, of the Social Security Act providing for grants to institutions of higher learning for special projects for training personnel in child welfare. Such a program of training grants is being initiated in 1963 and development of policies and guides for administering grants to institutions of higher learning has begun. In 1964 it will be necessary to review and evaluate training projects proposed by these institutions, to provide technical assistance to these institutions in carrying out these projects, and to provide consultation to schools of social work in the expansion of fieldwork facilities and in strengthening the child welfare content of the curriculum.

TECHNICAL ASSISTANCE TO STATES AND COMMUNITIES FOR JUVENILE DELINQUENCY PROGRAMS

The Children's Bureau is responsible for the development of program plans, guides, and recommendations for services in the field of juvenile delinquency; providing leadership in the development of national, State, and local programs for the control and treatment of juvenile delinquency; providing technical aid and advisory service to public and voluntary agencies and others on standards and guides, methods, content, organizations, and coordination of such programs; and assisting in planning broad training programs for all staff, professional and nonprofessional, providing services to juvenile delinquents in the States and local communities.

Activities.—Each year the Division of Juvenile Delinquency Service receives a large number of requests for assistance, reflecting the deep national concern about meeting this problem. In 1962, the Division met more than 1,000 requests for technical assistance. Field visits were made in connection with more than one-half of these requests; the others were handled through office consultation and correspondence.

Following are illustrations of field consultation provided during the fiscal year 1962:

Studies of police services for children in Idaho and Rhode Island were made as part of statewide surveys of services for delinquent youth. Studies of detention services were also made in these two States.

Surveys of institutions for the rehabilitation of delinquent boys and girls were made in Oregon, Iowa, and Rhode Island.

Consultation was provided to 11 schools of social work to assist them in the establishment of additional field work placements and in the enrichment of the social work curriculum through the addition of materials on correctional services.

Technical assistance was provided to universities or agencies in Virginia, Kentucky, Louisiana, Ohio, Florida, and California, to assist them in developing and carrying out programs of in-service training for personnel engaged in providing services to delinquent youth.

The past year saw the completion of a standard-setting document in the law enforcement field—"Police Work With Children: Perspectives and Principles." This monograph was developed in cooperation with the International Juvenile Officers Association, the International Association of Women Police, the National Council on Crime and Delinquency, the National Police Officers Association of America, and the National Sheriff's Association. This is the standard-setting document on police services for children. The widespread interest in this publication indicates that it will have a significant impact on improving these services throughout the country. Other bulletins published included the following: "Training for Juvenile Probation Officers"; "Institutions Serving Delinquent Children—Guides and Goals."

RESEARCH IN CHILD LIFE AND SERVICES FOR CHILDREN

In carrying out its function to "investigate and report" upon matters pertaining to the welfare of children, the Bureau attempts quantitatively and qualitatively to determine how children in the United States are faring, and what physical and social conditions are inimical to their well-being. Since the Bureau has only a small research staff, it carries out its research functions largely in conjunction with other organizations, public and private. In addition, it engages in a few studies of its own, usually nationwide investigations based on information available to State health and welfare agencies.

Following are illustrations of some of the studies currently underway:

1. Survey of cystic fibrosis: Studies continue directed toward determining the incidence and prevalence of cystic fibrosis, conducted in collaboration with the National Vital Statistics Division and under contract with the National Institute of Allergy and Infectious Diseases. The first of these studies provided national estimates of hospitalized cases of cystic fibrosis for each year, 1952 through 1957. The second, a pilot study to test and develop survey procedures, dealt with cases known to physicians in their private or clinic practice in Massachusetts, New Hampshire, and Vermont during 1952-59. Underway is the third phase, a survey of 6,000 medical sources in 17 contiguous Eastern States and the District of Columbia seeking information on all cystic fibrosis patients seen during 1952-61 in hospitals, clinics, and by physicians in private practice. This project is scheduled for completion in fiscal year 1965.

2. Services to unmarried mothers: A detailed analysis has been made of what research to date has revealed about births out of wedlock, and what outstanding questions remain unanswered or in doubt. Along with this, the findings of numerous "demonstrations" of services to unmarried mothers have been reviewed, and conclusions have been drawn as to their implications for program planning.

Proposed increases in 1964.—To increase the scope of its studies in line with recommendations made by the President's Panel on Mental Retardation, the Bureau requests five additional positions, three professional and two clerical. Two research analysts, a research psychologist and clerical support are requested to develop, advise on and conduct studies in three major areas of concern about mentally retarded children cited by the Panel as being of especial importance: (1) program and service statistics; (2) social and psychological diagnostic and preventive measures; (3) laws and legal procedures.

1. Much more detailed statistical information than is now available is needed to assess the extent and variety of mental retardation, the kinds and amount of services that are and that should be provided, and the accomplishments of such services. The Bureau is in an especially favorable position to secure data on the kinds of disabilities and associated conditions that bring young children to diagnostic clinics, on the services provided by such clinics, and on effectiveness of the

methods used. It can also secure much-needed information about retarded children in institutions and foster homes, about retarded children who are adopted, and about those served by child health conferences and school health programs.

2. Another aspect of the mental retardation problem that requires attention is that of its association with poverty and accompanying conditions. There is evidence that very young children who are deprived of adequate sensory and intellectual stimulation are unlikely to develop their mental faculties and so are apt to become irretrievably feeble-minded. To what extent social deprivation has this result and what can be done about it are questions that would be pursued by the research psychologist. This individual would also promote and advise on other studies such as those dealing with the physical abuse of children especially as it relates to the problem of mental retardation.

3. The third area to which attention would be given by the requested additional staff is that of laws and their administration, insofar as they affect children. Of especial importance is the law of guardianship, especially guardianship of the person, which is said to be one of the least clear aspects of family law. Laws and procedures regarding adoption, marriage, and delinquency would also be reviewed and analyzed, as well as those relating to commitment to institutions and release therefrom. The Bureau's consultant in this area would work with outside organizations, such as law schools and bar associations, on these problems and attempt to secure periodic review of the whole body of law affecting mentally retarded children.

INFORMATION FOR PARENTS AND OTHERS WORKING WITH CHILDREN

Since 1912 the Children's Bureau has been meeting its basic charge from Congress to report on all matters affecting the well-being of the Nation's children by providing each year a broad and steady flow of reports, publications and information on child health, child welfare, and child growth and development. Its publications for parents regularly top the list of best-selling Government publications and its technical publications are widely and increasingly used by workers in the variety of professions serving children.

Proposed increases in 1964.—Included in this request is \$50,000 additional in printing funds to enable the Bureau to establish congressional allotments for "Your Child From 1 to 6" on a similar basis as "Infant Care." "Your Child From 1 to 6" is appropriate to families with small children and also provides further guidance to parents who receive "Infant Care." During the past year we have been unable to grant congressional requests for large quantities of "Your Child From 1 to 6" because of limited printing funds. During the first year of allotment, it is estimated that the congressional demand for "Your Child From 1 to 6" will be 640,000 copies, or about half the demand for "Infant Care."

In fiscal year 1965, the Bureau anticipates a congressional demand for "Your Child From 1 to 6" equal to that for "Infant Care," or approximately 1,500,000 copies.

There is also included in this request \$3,000 additional for increased printing in connection with the Bureau's increased emphasis on mental retardation.

INCREASES REQUESTED FOR 1964

Mrs. OETTINGER. The 1964 estimate for "Salaries and expenses, Children's Bureau" represents an increase of \$418,000 over the \$2,983,000 estimated to be appropriated for this purpose for the fiscal year 1963.

Of the latter amount, \$2,853,000 was appropriated under the 1963 appropriation act. An additional \$133,000 for implementation of the 1962 Public Welfare amendments and for increased pay costs is proposed in a supplemental estimate now before Congress. (Funds for the implementation of the 1962 amendments were approved last year by both the House and Senate but the supplemental bill in which they were included failed in enactment.)

The increase requested for the fiscal year 1964 is for two general purposes:

(1) To provide additional staff for the expansion of mental retardation activities; (2) to initiate congressional allotments for the publication "Your Child From One to Six."

Seven additional positions (four professional and three clerical) are requested to assist in the implementation of activities recommended by the President's Panel on Mental Retardation.

Two research analysts, a research psychologist and clerical staff are requested to develop, advise on, and conduct studies in three major areas cited by the panel:

First, program and service statistics; second, social and psychological diagnostic and preventive measures; and third, laws and legal procedures.

The remaining two positions would provide staff support in the followup of the panel report and in coordinating the accelerated activities in the field of mental retardation.

I have here the more detailed statement on salaries and expenses.

Mr. FOGARTY. Your appropriation for 1963 is \$75,795,000 and a request for a supplemental appropriation of \$3,650,000 is pending.

If allowed, there would be \$79,445,000 available for 1963 and the request for 1964 is \$87 million, an increase of \$7,555,000.

Is that right?

Mr. WYNKOOP. Yes, sir.

Mrs. OETTINGER. Yes.

1963 SUPPLEMENTAL REQUEST FOR DAY-CARE ACTIVITIES

Mr. FOGARTY. Tell us what the supplemental request is for.

Mrs. OETTINGER. The supplemental request is for the moneys that were expended in relation to the Pay Act—

Mr. WYNKOOP. No; this is the grant program, Mrs. Oettinger. The \$3,650,000.

Mrs. OETTINGER. The \$3 million is for day care. It is less than the amount authorized and we are asking it as a supplemental so that we can get started in fiscal 1963 in the day-care activities that were authorized under the 1962 amendments.

And the \$650,000 is, for the first time, to get started on direct payments to institutions of higher learning for the training of child welfare workers.

Mr. FOGARTY. What was the authorization?

Mrs. OETTINGER. The authorization was \$5 million for day care and \$750,000 was originally what we asked for in training, and it was cut in the House and the Senate to \$650,000.

Mr. FOGARTY. There has been no action on this supplemental yet; has there?

Mrs. OETTINGER. No.

Mr. KELLY. Hearings have been scheduled for the latter part of this week.

Mr. FOGARTY. I see. It looks like you will be lucky if you get this supplemental appropriation in May I guess.

Mrs. OETTINGER. There is great readiness on the part of the States. We hope it will become available this year.

Mr. FOGARTY. I think the 1963 supplemental appropriations have been delayed far too long. That is not your responsibility, that is

ours. What effect will it have on the 1964 program if the supplemental is not allowed?

Mrs. OETTINGER. I think it would be a serious effect because the States have geared themselves to activity. They have gone ahead and carried out many of the obligations of the act in getting together advisory committees and seeing that there is closer coordination between health, education, and welfare activities within the State in order that they could focus on day care.

They have also in many cases moved ahead on licensing and other programs that would make it possible for many of the States which now have no day care programs to get started under public auspices.

And there is a closer cooperation between voluntary and public agencies.

I think when you have momentum of this sort, that it is a great misfortune not to take it at its tide.

PROVIDING SERVICES TO YOUNG UNWED MOTHERS

Mr. FOGARTY. In our report last year the committee said we would expect you to be able to point to concrete results this year in services to unwed mothers in the teenage group.

Can you point to any concrete results?

Mrs. OETTINGER. Well, we have for you a statement, summarizing the activities in the States that provide care for the unwed mothers and their babies from the Federal child welfare funds. The program varies from State to State.

Mr. FOGARTY. We are concerned mostly with the teenage group.

Mrs. OETTINGER. We still continue to be very concerned with the teenage group because in that case both the mother and the baby are truly children, and need our special attention.

Also, I think we have gotten more coordination in the activities in behalf of the mother who is unmarried, and by that I mean it is not enough that she has health care if she does not have social services; on the other hand, social services do not provide her with that kind of protection for herself or for the well-being of the child unless she has good arrangements made for her delivery and for her care, and for the immediate attention to the welfare of the baby.

We are finding that more physicians are referring children to welfare services.

I think as a consequence we can rather proudly point to the fact that now about 61 percent of adoptions by nonrelated persons are being carried out under the auspices of welfare agencies. This is an improvement, as you know, over past years, and I think it reflects the greater coordination and cooperative arrangements that are growing up. We have increased provision for the unmarried mother and some focus on that younger unmarried mother for whom we are so very responsible, not only in terms of her health and welfare, but also her vocational training.

You know so many of these youngsters leave school and are never able to complete their education. That has to do to some extent with the fact that there is a wide variety of policies and it is often left to the principal of the school whether or not the unmarried mother will return to the school.

Experience shows that she loses an opportunity for further education, or for vocational guidance, unless special attention is paid to that aspect of her problem.

Mr. FOGARTY. What has the Children's Bureau done to institute new programs of any kind to help in this area?

RESEARCH

Mrs. OETTINGER. One of the things we have done is to step up the research. We have felt that we ought to find out what has been done and so through our internal research group, we have found out through the study of all the existing experiments, demonstrations, and research activities, just what we do know, where the gaps are in what we do not know, and what we could do to provide a firm foundation. Now, that is our internal research.

Mr. FOGARTY. Now tell us what is the timetable?

Mrs. OETTINGER. For moving ahead?

Mr. FOGARTY. Yes.

Mrs. OETTINGER. That study, for example, has already been accomplished this past year and we have a report which will be ready for publication within this next 6 months.

We have here also a preliminary sort of report which, I think, will be of great interest to the field.

Our March-April issue of *Children* has been devoted entirely to unmarried parents: what is and what is not being done for them. It has already received a good deal of attention from those in the field who have been wanting to have a number of experts bring together their opinions.

And this gives us a good base for future studies as well as services because we know what works and what is not so workable.

Among the kinds of requests we have gotten under the new opportunity for direct research grants to institutions of higher learning and to public and voluntary agencies are a number of requests for special studies about the unmarried mother.

We have responded to those with a good deal of interest because we are glad to see different communities trying to do different things that are suitable to their particular locale.

Mr. FOGARTY. I have not read the report, but I would make a guess that what is not being done that we should do would take up most of your report.

Mrs. OETTINGER. As you say, there is so much room for improvement in the States that we are happy to know there are additional services being offered.

Many of the States are putting on specialists. One of our large problems is the fact that while nearly two-thirds of the unmarried mothers are nonwhite, they receive only about one-fourth of the services provided to unmarried mothers by public child welfare agencies.

The remaining group of white mothers receive three-fourths of the service.

So we need to equalize this and give more opportunity for services to these needy young women who are so largely in our core cities.

NUMBER OF UNWED MOTHERS

Mr. FOGARTY. I was under the opinion that this problem was getting worse, but on page 43 of this report, in this table of births out of wedlock, in 1956 it was 20.9; in the last 4 or 5 years, it seemed to be about the same. It was 21.6 in 1960. So it increased, but not as much as I have been led to believe.

In my State, I have been hearing more about it, in welfare groups and church groups and from people who are interested especially in the teenage group.

Mrs. OETTINGER. This may indicate the people's alertness of the problem.

In 1960 there were 224,000 reported illegitimate births, but of course in proportion to the child population and to the population of women of childbearing age, that is not a proportionate increase.

COORDINATION OF BUREAU PROGRAMS

Dr. WINSTON. Mr. Chairman, may I speak to one or two of these points in terms of the responsibilities of the new Welfare Administration?

Mr. FOGARTY. You know I do not like the word "welfare" to start with, but you go right ahead.

Dr. WINSTON. All right. Well, I will talk about the Children's Bureau and the Bureau of Family Services.

In several areas on which you have asked questions, we see great advantages resulting from the 1962 amendments and closer program coordination. Take day care, for example. We are just as eager throughout the Bureau of Family Services to see this program get underway as is the Children's Bureau, because we know there are children of mothers receiving assistance who need day care resources and that such resources are going to help with many of the problems that are associated with needy families.

Then, coming to the question of unmarried mothers, you are aware, of course, that we are placing special attention on services to unmarried mothers under the 1962 amendments. This is one of the large categories where States will be able to claim 75 percent matching for a very carefully worked out and detailed program of special services.

Now, as we sort out these families that require intensive services throughout the public assistance program, there are going to be many, many cases in which the special skills of the child welfare workers will be necessary. We see particularly in these basic child welfare areas growing complementary health and social services between these two important arms of programs for children.

RESEARCH NEEDED

And then coming back to the research question, of course, we have not only the research that is being carried out under the auspices of the Children's Bureau but this whole area of unmarried parenthood, and we are aware of the fact there are fathers as well as mothers in this picture, is one that is being attacked through other sources.

One of the studies that I personally have been particularly interested in is an effort to delineate the differences in characteristics between

the women who have one child out of wedlock and the women who have two or more children out of wedlock. This is the kind of basic information that we need in order to have the most constructive preventive and rehabilitative programs, that are so badly needed.

MR. FOGARTY. I agree with your approach and I think this research has to be done because the States are not going to do it. If you do not do it, I do not think anyone is going to do it.

FUNDS FOR DAY CARE CENTERS

But where will these funds go in the States—to the health department or the department of welfare?

MRS. OETTINGER. Well, there are funds that go to both, actually.

MR. FOGARTY. Day care centers I am talking about now.

MRS. OETTINGER. Yes. Not only day care centers, but the funds can be given to them as a direct grant for a special project which can be submitted.

MR. FOGARTY. Would it all depend on who submits the applications then—the department of health or department of welfare?

MRS. OETTINGER. Both; this is correct. You have welfare grants which can be used as part of the regular grant service if the State so designated it.

But if you are thinking of the research and demonstration projects under the 1960 amendments, we have been able to reach individual communities or welfare departments or volunteer agencies and give them direct grants.

Also in the health services, for example, in Connecticut, a very splendid research has been carried on, demonstration and research, in the cooperation between the welfare and the health departments, and this year this has been further extended because of the magnificent success of this.

So truly it could come from B funds or it could come from grant funds or it could come from the new 1963 money if appropriated.

MR. WYNKOOP. Wasn't your question directed, sir, to day care money? Who would receive the day care money under the new appropriation request?

MRS. OETTINGER. I did not know you had moved to day care.

MR. FOGARTY. I was glad you gave us that information too, but tell us about the day care centers.

MRS. OETTINGER. All right; so far as day care is concerned, that will go directly to the welfare department under the same formula as the rest of the child welfare services grants; the day care is considered an integral part of child welfare services.

MR. FOGARTY. In many States it would be better utilized if those could be given to the health departments and not to the departments of welfare.

MRS. OETTINGER. Well, there are many aspects of day care of course, and I think there is an increasing interest, too, in the things we can do with homemaker services, which is another preventive arm, it seems to me, for all types of special problem cases from the unmarried mother to the families of the mentally retarded.

BUDGET RELATED TO LEGISLATIVE AUTHORIZATION

Mr. FOGARTY. All right; now you have four activities under this grants program.

Tell us which are budgeted at the full authorization for 1964.

Mrs. OETTINGER. "Maternal and child health," the "Crippled children," are budgeted at the maximum and so are the grants for research, training, or demonstration projects are equivalent to our original request. The child welfare services are not budgeted to the maximum; \$35 million would be complete authorization and we are asking for \$33 million.

Mr. FOGARTY. Why aren't you asking for the full amount?

Mrs. OETTINGER. Well——

Mr. FOGARTY. Welfare is getting a big play in this budget.

Mrs. OETTINGER. This was determined at the level of the Bureau of the Budget.

Mr. FOGARTY. I see. Did you ask for the full amount?

Mrs. OETTINGER. We asked for the full amount, yes.

Mr. FOGARTY. Was it the Bureau of the Budget or the Department that cut it back?

Mrs. OETTINGER. Bureau of the Budget.

Mr. FOGARTY. What did they cut it for?

Mrs. OETTINGER. I do not know other than their responsibility for the overall allocation of funds and that this seemed to them a place where, in their opinion, a saving could be effected, in accordance with the plan for economy.

Mr. WYNKOOP. Mr. Fogarty, there was another reason for this. As you know, we originally contemplated we were going to get day care money last September. However, the supplemental bill was not enacted. Now, as you just indicated a few minutes ago, we will not get this money until probably late April.

Mr. FOGARTY. That was just my guess, if you get it by late April that is probably the very best you can hope for.

Mr. WYNKOOP. Yes; but this is probably right.

It means rather than having the program in operation for a period of 8 months at the beginning of the fiscal year 1964, it will only be in operation for several months so we will have to build up more of a head of steam in 1964.

STATES PARTICIPATING IN DAY-CARE CENTERS

Mr. FOGARTY. How many States have indicated they will participate in the day-care center program?

Mrs. OETTINGER. We have made a rather exhaustive study of that.

Mr. FOGARTY. Will you put that table in the record?

Mrs. OETTINGER. We will be glad to.

(The information follows:)

Tentative report of activities, by State, toward implementing day care provisions of 1962 amendments to title V, pt. 3 of the Social Security Act

State	Improving or imple- menting licensing requirement	Establishing State advisory committee	Cooperating with State health and education departments	Provision for day care services in current State CWS plans
	(1)	(2)	(3)	(4)
United States.....				
Alabama.....	X	X	X	X.
Alaska.....	X	X	X	
Arizona.....	X	X	X	X.
Arkansas.....	X	X	X	X.
California.....	X	X	X	
Colorado.....	X	X	X	X.
Connecticut.....	X	X	X	X.
Delaware.....	X	X		X.
District of Columbia.....	X		X	
Florida.....	X	X	X	X.
Georgia.....	X			
Hawaii.....	X			X.
Idaho.....	X			
Illinois.....	X	X	X	X.
Indiana.....	X			X.
Iowa.....	X	X	X	X.
Kansas.....	X	X	X	
Kentucky.....	X	X	X	X.
Louisiana.....	X			
Maine.....	X	X	X	
Maryland.....	X	X	X	X.
Massachusetts.....	X	X	X	X.
Michigan.....	X	X	X	X.
Minnesota.....	X			X.
Mississippi.....	X	X	X	X.
Missouri.....	X		X	
Montana.....			X	
Nebraska.....	X		X	X.
Nevada.....	X	X		
New Hampshire.....	X	X	X	
New Jersey.....	X			X.
New Mexico.....	X	X	X	
New York.....	X			
North Carolina.....	X	X	X	X.
North Dakota.....	X			
Ohio.....	X			X.
Oklahoma.....	X	X		X.
Oregon.....	X		X	X.
Pennsylvania.....	X	X	X	X.
Puerto Rico.....	X		X	X.
Rhode Island.....	X	X	X	
South Carolina.....	X	X	X	
South Dakota.....				X.
Tennessee.....	X	X	X	X.
Texas.....	X	X	X	X.
Utah.....	X	X		X.
Vermont.....	X	X		X.
Virgin Islands.....	X	X	X	X.
Virginia.....	X		X	X.
Washington.....	X	X		X.
West Virginia.....	X			
Wisconsin.....	X	X	X	X.
Wyoming.....	X			X.

Mrs. OETTINGER. Thirty-five States have given positive examples in their State plans of what they are doing.

There are really no States that have not made some efforts in this direction.

Mr. FOGARTY. By that do you mean that you expect they will all participate? That will be unusual if they do.

Mrs. OETTINGER. Well, they are all gearing up. There is a great awareness of this among the States as a need and they are moving to get these day-care services under way even in the States where there has not been any licensing before.

There were eight States in 1960 where there were no licensing laws for day-care facilities.

Mr. FOGARTY. Would you put those eight States in the record.

Mrs. OETTINGER. I shall.

(The information follows:)

In 1960, eight States had no statutory authority for licensing day-care facilities. These States were: Maine, Massachusetts, Nevada, Oklahoma, South Dakota, Vermont, Virgin Islands, and Wyoming. Since that time three States, Massachusetts, Wyoming, and the Virgin Islands have enacted licensing laws.

Mr. FOGARTY. What are the matching requirements?

Mrs. OETTINGER. The matching requirements are the same as for the regular child welfare.

Mr. FOGARTY. All right; what is that?

Mrs. OETTINGER. The formula you know is in general based on the number of children under the age of 21 times the inverse proportion of the per capita income of the State. The matching requirement varies from 33½ to 66½ percent, depending on this per capita income.

STANDARDS FOR DAY CARE CENTERS

Mr. FOGARTY. What standards will be required for these centers?

Mrs. OETTINGER. We have been working very hard on those, too, Mr. Fogarty, because we feel that we should give a good deal of Federal leadership.

We have had groups of people who represent not only the welfare administration in the State, but many voluntary groups for all kinds of disciplines across the board, and they have felt we should be indeed the standard-setting body, so we are working with subcommittees within the Bureau. We have prepared standards which will be ready to be sent to the States.

Mr. FOGARTY. Are they all ready?

OVERALL POLICIES FOR DAY CARE CENTERS

Mrs. OETTINGER. They have been approved and are now being printed so that we can distribute them to the regions.

Mr. FOGARTY. Will you put them in the record?

(The information follows:)

The policies relating to the use of Federal funds for day care services which have been approved and are being issued to the States include:

A. Definitions

1. *Day-care services.*—"Day care services," which are a part of "child welfare services,"¹ supplement parental care by providing adequately for the care and protection of children who must be outside their own homes for part of the day because their parents are working or seeking work or otherwise absent from the home or unable for other reasons to provide adequate parental supervision. To provide adequate care and protection of children in day care, such care must include social services, health services, and educational opportunities.

Day care services include a broad range of administrative, consultative, and organizational functions related to establishing, extending, and strengthening the day care of children, both preschool and school-age, as well as the provision

¹ Under these definitions informal arrangements which parents make independently with neighbors, friends, and others, whether they are licensed or not are not included; nor are nursery schools, kindergartens, or other facilities the purpose of which is primarily educational, recreational, or for medical treatment.

of day care in facilities (including family homes) which are licensed by the State, or are approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type.

2. *Day care facilities.*—A "family day care home" is a licensed or approved family home, which provides care and protection of a child or several children for part of the 24-hour day. A "day care center" is a licensed or approved center which provides care and protection of a group of children for part of the 24-hour day.

B. Purposes for which provision may be made for day-care services

1. *Personnel services.*—Salary, employee benefit cost, contractual fees, and official travel of personnel employed by or otherwise responsible to the public welfare agency in carrying out its responsibilities for day care services in (a) directing, improving, promoting, and developing day care services such as consultation relating to licensing and improvement of standards of day care facilities, research, and supervision, and (b) providing social services to families and children receiving day care.

2. *Professional education.*—Expenditures for professional education, at an institution of higher learning accredited by the recognized accrediting agency of the profession for (a) employees who have merit system status and are engaged in carrying out the public welfare agency's responsibility for day care services, (b) persons selected under the merit system as employees through worker-in-training appointments, and (c) personnel selected on the basis of established criteria who agree to enter employment in public day care services after a period of professional education.

3. *Institutes, conferences, and short-term courses.*—Costs of (a) institutes, conferences, and short-term courses related to day care services for which the public welfare agency accepts some responsibility, and (b) attendance of personnel of public agencies engaged in day care services at institutes, conferences, and short-term courses related to day care services.

4. *Day care of children.*—(a) In family day care homes: Costs of board, clothing, fees to boarding parents, transportation, and other expenses for care of children placed and supervised by the public welfare agency in licensed or approved (as meeting the standards of such licensing) family day care homes or through purchase of care and service in such homes for children for whom the public welfare agency assumes responsibility for day care, from voluntary social agencies licensed or approved as child-placing agencies.

(b) In day care centers: Costs of establishing and operating day care centers administered by the public welfare agency including cost of personnel, supplies, equipment, communication, food, liability insurance, transportation, and occupancy and maintenance of space or through purchase of care and service for children for whom the public welfare agency assumes responsibility for day care, in licensed or approved (as meeting the standards of such licensing) day care centers. Such centers may be (1) a voluntary social agency center, (2) a center which is under the auspices of a voluntary social agency, a nonprofit organization, or another public agency, or (3) an independent day care center when it has been determined that such care best meets the needs of a particular child.

5. *Cooperative projects for determining need; training purposes or demonstration.*—Participation in costs of cooperative projects with other public or voluntary agencies for determining need for day care services, for training purposes, or for the demonstration of day care services which will make a substantial contribution to the development of these services.

6. *Merit system costs.*—Costs incurred by the State public welfare agency for merit system services in administering day care services.

7. *Advisory committees.*—Expenses of advisory committees to State and local public welfare agencies for day care services.

8. *Membership fees.*—Costs of agency membership fees in organizations providing services to the public day care services program.

In the use of these funds States must meet the following conditions:

Expenditures for care of children in family day care homes or day care centers, shall be for those children for whom the public welfare agency, through its child welfare services program, accepts responsibility for providing or purchasing such care. This responsibility includes: determining the need for such care and that the type of care is in the best interest of the child and his family; determining the ability of the family to contribute to the cost of care; and developing a plan for continuing supervision of the child in care.

A method or methods shall be developed for determining that rates of payment for purchase of care of children provided under the plan are reasonable and necessary to obtain adequate standards of care and service. Schedules of rates thus established shall be maintained by the State agency in its office.

In meeting the conditions in the law effective July 1, 1963, day care facilities used under the State's plan must meet standards established by the State. These standards must be reasonably in accord with standards developed by national organizations such as the Child Welfare League of America.

STANDARDS FOR DAY CARE FACILITIES

Mr. FOGARTY. What standards will be required for these centers?

Miss ARNOLD. You asked about standards for the centers themselves.

We have not set up specific standards for the centers. We have set up certain requirements on use of Federal funds.

The Child Welfare League of America has developed standards and we have worked with them on these. They will be used as the guide.

Then the law says that the State—

Mr. FOGARTY. What do you mean they will be used as a guide?

Miss ARNOLD. They will be used by the State welfare departments.

Mr. FOGARTY. Some States.

Miss ARNOLD. Every State will have to set up its own standards and the law says the centers must meet the standards of the State agency, because they are the ones that license it.

Then they use the material that we are developing to help them with their own standards.

Mrs. OETTINGER. You mean as guides and principles.

Miss ARNOLD. That is right.

Every State has either set up, developed its standards for centers, or is now doing it under new legislation that has been passed.

DAY CARE CENTER USER FEES

Mr. FOGARTY. Are you going to charge the participants any fees?

Mrs. OETTINGER. Yes, we have talked about this and we felt that there should be a sliding scale.

And that this could be standardized within the individual State setup. But we definitely do feel that as a parent can afford to pay, they ought to make a contribution in day care situations.

Mr. FOGARTY. How do you arrive at this, by a means test?

Mrs. OETTINGER. Fee setting? There has been a great deal of precedent for that among the already established day care centers, almost since the beginning of this kind of protective service for children during the day away from home.

The already established centers have had fees and they have worked on it until I think we really can have a good basis for consultation and advice about fee setting.

Mr. FOGARTY. Do you apply any sort of means test?

Mrs. OETTINGER. Well, in the sense—no.

Mr. FOGARTY. Or is this strictly voluntary?

Mrs. OETTINGER. I think the family feels a certain pride in being able to pay what they can afford to pay but as you know, the cost of day care is not within the means of many women who work at the substandard level that many of our women do work at.

So when they have many children, they can perhaps only pay a small amount. But as other responsibilities level off then they can pay a larger amount and this, I think, properly should be kept track of and there should be a payment for service rendered.

Mr. FOGARTY. Women are probably subjected to these substandard wages more than men, are they not?

Mrs. OETTINGER. You know there are living in the United States 12 million children whose families live on an income of less than \$3,000 a year and you know also that there are 4 million families in which a woman is the head, and that their general average income is way below the national average.

I could find out exactly how much below the average of the average family income.

Mr. FOGARTY. So there are fees charged and that is arrived at locally; is that right?

Mrs. OETTINGER. Yes. One within reasonable limits, because these guides are going to be, I think, very persuasive.

Mr. FOGARTY. What do you suggest to the States?

Mrs. OETTINGER. About getting started.

Mr. FOGARTY. No, about what fees are to be charged.

Mrs. OETTINGER. Well, what we are trying to do is to develop a cost analysis. This year we have concentrated on cost analysis in a number of areas:

In institutional care, we are getting started in foster care, and now we hope that we will be able to support a new project which is developing in St. Louis, which would give us some measure of the cost of day care. It will be a schedule which has been worked out experimentally and we will then test it among many other day care centers in different parts of the country. And this will give them a guide for cost accounting.

This is not always easy to introduce but I think since we are starting so much acceleration in the field of day care, we will be able at a very early time to find out just what goes into making the costs of care per day per child. And therefore we will be better able to help settle this fee cost on a more universal experience.

Miss ARNOLD. Could I add that since the law does require that if parents can pay that they must pay, we are requiring that there be a fee schedule and that the States tell us how that schedule is determined and what the schedule is.

And that is usually based on cost of care in the day care center, the income of the family, the number of children who have to have day care.

Mr. FOGARTY. Well, does the means test, itself, come into it in any way, any sort of means test?

There must be, I guess.

Miss ARNOLD. In a certain way in determining what the income of the family is. Some families with higher incomes can pay a little higher.

That is the reason for the sliding scale in the center.

Mr. FOGARTY. What about the person, to take a hypothetical example, a person with six children, and they may make \$6,000 but they have a home that is mortgaged as much as possible, and doctor bills that they have difficulty paying. Now, how do you evaluate that person's ability to pay?

Miss ARNOLD. Those items would be taken into consideration and that is why I mentioned the large number of children who needed day care.

There are many families that do not pay for the care because of other needs in the family, or they may pay a much lower rate.

Mr. FOGARTY. Of if a man is making \$4,000 or \$5,000 and has his house paid for—

Miss ARNOLD. He would be expected to pay for the care of his children.

Mr. FOGARTY. Even if he was not meeting existing expenses? He would have to put a mortgage on his house or something like that?

Miss ARNOLD. Well, my experience has been that the day care centers, and the welfare departments, are pretty lenient about looking into what the needs of the families are and are willing to pay the cost, if necessary, to supplement what the parents can pay. That is why the sliding scale, which goes from a rather low figure up to a higher figure, is used.

Mr. FOGARTY. Well, that is not true of the whole social security complex though.

Miss ARNOLD. This has been the concept within the child welfare program pretty much. It has been true of payment of children in foster homes.

Mr. FOGARTY. I think that is a better way.

This means test, I think, sometimes goes too far. I think they should be judged individually, like you apparently are doing.

Miss ARNOLD. The means test has not been emphasized in the child welfare program. It has been the services.

DEFINITION OF DEMONSTRATION PROJECTS

Mr. FOGARTY. You have an increase of \$2,555,000 for "Research, training, or demonstration projects in child welfare." What is this increase for?

What kind of projects do you anticipate?

Mrs. OETTINGER. Well, our project experience dates back as you know to the 1961 period, and during that—

Mr. FOGARTY. What is the difference between research and demonstration projects?

Mrs. OETTINGER. This is one of the questions that we very carefully try to decide and I think essentially research is the new knowledge about the basic situation; where a demonstration project is more essentially an opportunity to demonstrate a given method to find out how feasible it is within a tightly systematized setting with an evaluation process of what has gone on.

Mr. FOGARTY. Generally after some sort of research program?

Mr. WYNKOOP. Yes.

Mrs. OETTINGER. To look into it, to determine whether its evaluation is that it proves what it sets out to prove and demonstrates what the setout purposes were.

TRAINING GRANT PROGRAM

Mr. FOGARTY. All right. What do you mean by training?

Mrs. OETTINGER. Training, and I am glad you gave me another opportunity to mention training, because we were talking about the

supplemental and I felt very aware I had not finished the fact we need that \$650,000 very much for training authorized in the amendments of 1962. The schools' selective process begin in the spring, and, if they are to set up any special training for social workers or for auxiliary workers in special groups such as day care assistants or house parents or those who otherwise aid in contributing to the total of child welfare work, they have to set up not only professional courses but these special institutes and project opportunities now.

Mr. FOGARTY. Will the training affect social workers?

Mrs. OETTINGER. I think it will affect the social workers because they will have an enriched curriculum and will have to have more facilities in the school.

Mr. FOGARTY. Will it train a person to be a social worker or will this give specialized training to the social worker?

Mrs. OETTINGER. No, it will give a new pool, new reservoir, an important new group who had never been social workers who will have 2 full years of training at a professional level.

Mr. FOGARTY. For example, what group?

Mrs. OETTINGER. We hope to stimulate many of the graduates from college who want to go into the field of social work.

We have had very successful experiences in the last several years in recruiting new people into the field.

I think the closer we work with the vocational advisers in the colleges, the experiences many of these young people have had in the summer working as aids or in other capacities in welfare organizations of one kind or another, have made them enthusiastic to go on for graduate study.

And I think the improved recruiting program of the Council on Social Work Education has brought this to the attention of more young people.

I think the Peace Corps is doing this and going to bring us some people who feel that they want to go on and get professional graduate education.

Mr. FOGARTY. Do you think so?

Mrs. OETTINGER, I do think so, yes.

I think a great many of these people are looking for a mission and I think their experiences in other countries may make them recognize that there is a lot you cannot do unless you know how, that all good will in the world is not worth anything unless you have squared up with the knowledge that we do have in the social service fields.

DOMESTIC PEACE CORPS

Mr. FOGARTY. Has the Domestic Peace Corps gotten off the ground?

Mrs. OETTINGER. I do not know where it is located just now.

I know that there has been a good deal of study in the Department of Health, Education, and Welfare of how we could use such individuals were they available to us.

But this larger pool is what we hope to be able to train on a master's level and then we hope to give special training to some on a post-graduate level, to reach those who have been supervisors or who have been in research work. We do not have enough of the highly skilled supervisory or research leadership that we need in this country to fill

a number of the positions that some of our studies are now making possible.

Mr. FOGARTY. You mean to say that some recruits for the Domestic Peace Corps that may go in for a 2-year period will be attracted to social work at the expiration of their term?

Mrs. OETTINGER. I would hope so if they come properly qualified with undergraduate degrees to their work.

I mean with undergraduate—B.A. degrees and are ready to go on. I know that—

Mr. FOGARTY. I am thinking about the Domestic Peace Corps. If you had a daughter graduating from college in June, would you suggest that she try the Peace Corps a couple of years or would you suggest she go on in education and get a job and start earning a living?

Mrs. OETTINGER. If you are asking me if I had a daughter, which I wish I had, I would say that I thought she would probably profit a good deal by direct experience with some of our social agencies.

But she might not be ready for that. That might be my idea and she might want to do something that was more congenial to her because of her interests.

And so I might not be able to get her to go and take some of the lesser jobs for experience or I might not be able to persuade her that immediate graduate education is the best road in all probability to ultimately being able to give her maximum help to meet the needs we have so greatly for the social service.

Mr. FOGARTY. Do you think that she would be better off going to the Peace Corps or going to work for 4 or 5 years before she got married? In later life which would help her more?

Mrs. OETTINGER. Well, I think any opportunities that young people have to be in the service end of our civilization—

Mr. FOGARTY. The girl who becomes a nurse or schoolteacher can always go back to it if something happens 15 or 20 years from then.

Mrs. OETTINGER. This is certainly true—

Mr. FOGARTY. But the Peace Corps, I do not see anything in the Peace Corps that would help her much if something happened that she had to earn a living 15 or 20 years from now; do you?

Mrs. OETTINGER. It certainly would not give the technical background that a graduate degree would give her.

Mr. FOGARTY. I would think it would be interesting and an adventure.

Mrs. OETTINGER. I think the purpose of getting indigenous leadership, which I suppose means some of the people are poor but are leaders in the communities, would go into the Peace Corps because they would be able to do a lot for those things which they understood well because of their own background.

Mr. FOGARTY. Of course, I did not think the Peace Corps would work out, but it has so far.

RESEARCH AND DEMONSTRATION PROJECTS

What sort of demonstration projects in child welfare are you doing? Would you give us an example or two?

Mrs. OETTINGER. I will give you some general fields, Mr. Fogarty. In the field of adoption, there are some very interesting experiments.

Mr. FOGARTY. Go down the list. Give me the headings.

Mrs. OETTINGER. Fields of adoption, rehabilitation services to children in their own homes, day-care experiences——

Mr. FOGARTY. What do you mean by rehabilitation to children in their own homes?

HOMEMAKER SERVICES

Mrs. OETTINGER. Well, for example, homemaker services, you know, I feel is one of the great hopes we have of getting mothers who desire to rear a family in a good manner but really do not have the knowledge of purchasing or of cooking or of this complex system of living in our institutionalized society. It is a pretty highly organized job to keep three or four children going. And how to gear their low income to get the maximum for their children in the way of physical care, in the way of psychological and emotional care.

And in the way of inspiration for education. I think that——

Mr. FOGARTY. That is kind of a difficult thing to do though, is it not? To go in and tell the lady of the house how to raise their children? I am thinking of some of those I know who would not be very receptive.

Mrs. OETTINGER. Well, in North Carolina they really have been rather responsive as I understand it, and a lot of their problem of living is also just their inability to manage from day to day and when they get help to get on the right track, they reach out for more information about what we do know about child rearing.

Of course, there is a lot we do not know but what we do know some of them are very eager to put to work.

Dr. WINSTON. Of course, we know from experience it does work. Not every woman is going to be responsive to some of these services, but a large proportion are.

Mrs. OETTINGER. Do you want me to finish this list?

Mr. FOGARTY. Yes.

MENTAL RETARDATION

Mrs. OETTINGER. Studies of day care, studies in the foster care area, and a large number of applications for children for studies in relation to mental retardation.

This came unsolicited, and no special emphasis was put upon it in the early applications that came to us, and we were surprised how many were looking for new and effective ways of giving treatment to severely or less severely retarded children.

Then there is the group of——

Mr. FOGARTY. This committee put in the appropriation bill over the budget request 7 or 8 years ago——

Mrs. OETTINGER. \$1 million.

Mr. FOGARTY. \$1 million.

Mrs. OETTINGER. That is right. And there is \$1 million for which we are now asking in relation to our grants program.

Mr. FOGARTY. I have been told that stimulated some interest in States.

Mrs. OETTINGER. The progress that was made as a result of your original million dollars is to me the greatest demonstration of how a little money can cause a large ripple and many, many circles to move out.

Mr. FOGARTY. I think this committee put in two and it was cut down to one in conference 7 or 8 years ago, but it is still——

Mrs. OETTINGER. There is still need for special projects, and that emphasis would be given if the total of our research and demonstrations grants which are granted.

Mr. FOGARTY. Have you any applications for demonstration projects in the field of retardation for blind retarded or cerebral palsied retarded, or deaf retarded children?

Mrs. OETTINGER. You do know that is not in our child welfare grants program but in our health grants program, and one of our large emphases has been on children with multiple handicaps and I am sure many of those combinations you just spoke of, for example, are represented in some of our centers.

Mr. FOGARTY. I did not know you had many people who knew how to take care of these kids.

Mrs. OETTINGER. I know there are groups where multiple handicapped and multiple disorders create a multiplicity of symptoms.

Mr. FOGARTY. We had to set up a training program in the field of retardation to teach teachers to teach retarded children. Then in the deaf, it was modified to just train teachers. But there is a significant difference between the two bills, one on the retarded program was to teach teachers because we did not have teachers that knew how to take care of retarded children. That is a 10-year program. It is not large enough and I would hope it could be expanded, but it is only \$1 million a year for 10 years.

Did you want to say something, Dr. Lesser?

Dr. LESSER. Well, there certainly is a great need for the training of teachers of the handicapped.

We have had in maternal and child health and also in crippled children some applications for grants for children with a variety of multiple handicaps, most of them with brain damage and about three-fourths of them are also retarded. We have had none specifically for the blind retarded, and I think we really would not know how to go about training them.

Mr. FOGARTY. You would not or would?

Dr. LESSER. I do not think we would at this point.

Mr. FOGARTY. What about the deaf retarded child?

Dr. LESSER. I think we have made more progress with them and one of the things that we learned through some of these special project grants is that there are a number of children who are referred to as being retarded, some of them actually in institutions for the retarded turn out to be severely hard of hearing and not retarded at all in the sense of an actual deficit.

Mr. FOGARTY. We were told 2 or 3 years ago that we were not doing anything for the deaf retarded child in this country. In the last couple of years we have had some legislation. We have been doing something for the retarded and the blind, but practically nothing for the deaf.

Dr. LESSER. I think much more has been done for the hard of hearing, the severely hard of hearing, than for those children who are called deaf, who have no hearing at all. This is true.

Mr. FOGARTY. That is also a problem, is it not, to make that decision whether a child is deaf or severely hard of hearing?

Dr. LESSER. Most children fortunately have some hearing and a good deal of our ability to find out how much hearing they have is dependent on the sensitivity of our instruments.

LIST OF APPROVED GRANTS

Mr. FOGARTY. All right. Do you have any more? You can put all of these in the record.

Mrs. OETTINGER. Thank you.
(The information follows:)

List of approved research and demonstration projects in the field of child welfare

1962

Name of project	Agency receiving grant
A study to examine the impact of day care on children and their parents.....	Welfare Planning Council, Los Angeles region.
A demonstration to evaluate the use of the social group work method for strengthening family life.	University of Michigan, School of Social Work.
A training program for preschool severely retarded children.....	Association for the Help of Retarded Children (New York chapter).
Homemaker service demonstration project for seriously neglected aid to dependent children families.	Homemaker Service of Los Angeles Region, Inc.
A study to determine what factors in the institutional setting are most conducive to return of children to family living.	University of North Carolina, Institute for Research in Social Science.
A demonstration to evaluate the effectiveness of a group therapy program for retarded adolescents.	Retarded Children's Clinic, New York Medical College.
Intensive postpartum casework with unmarried mothers.....	St. Mary's Infant Asylum and Lying-In Hospital.
A followup study of older children and their adoptive families.....	Alabama Department of Pensions and Security.
An investigation to study the effects of economic deprivation upon the lower-class preschool child's opportunity for mental stimulation and growth.	University of Chicago, Committee on Human Development.
Attitudes of white adults toward the adoption of children.....	The Catholic University of America, National Catholic School of Social Work.
A demonstration using group work methods to strengthen relationships between the young teenage child and the parent in one-parent families.	Huntington Family Centers, Inc.
Selection of foster parents for disturbed children.....	Wisconsin State Department of Public Welfare.
A demonstration of a college using its resources to meet certain developmental needs of culturally deprived preschool children and their families.	Shaw University.
Training the nonprofessional person for licensing day care and independent foster homes.	University of Illinois, Jane Addams Graduate School of Social Work.
Followup study of parents who adopted older children.....	University of Wisconsin, School of Social Work.
The role of the social worker in a child protective agency.....	Massachusetts Society for the Prevention of Cruelty to Children.

1963 ¹

An exploration of how caseworkers evaluate adoptive applicants.....	Child Welfare League of America, Inc.
The value of homemaker service in the family with the mentally retarded child under 5.	Association for Homemaker Services, Inc.
A study to determine what happened to families in the year before initial foster placement of children.	Community Council of Greater New York.
A study of the problems of integrating physically handicapped children with nonhandicapped children in recreational groups.	Associated YM-YWHA's of Greater New York.
A study to develop techniques for incorporating vocational planning into the treatment programs for emotionally disturbed adolescents in placement facilities.	Jewish Vocational Service of Chicago.
A study to determine causes of the decline in applications for adoptions.	Child Welfare League of America, Inc.
Factors associated with adjustment of adopted children.....	University of Chicago School of Social Service Administration.
Child welfare research: An assessment of knowledge, gaps, and methodologies.	National Association of Social Workers, Inc.

¹ 17 projects have been recommended for approval by the Advisory Group, action pending.

Mr. FOGARTY. Is there anything else you would like to discuss?

JUVENILE DELINQUENCY

Mrs. OETTINGER. Well, I thought perhaps you would be interested in some of our activities in the field of juvenile delinquency, which continues to move forward.

Mr. FOGARTY. There are many Members of Congress who say, well, that should be taken care of by their own parents in their own homes.

Mrs. OETTINGER. For the first time in years, we went down just the least little bit in the amount of juvenile delinquency that was reported by our much more acute statistical study than we have had in the past.

Mr. FOGARTY. I see Mr. Green is here. You go ahead and if there is something he wants to add, he may.

Mrs. OETTINGER. Well, this year we have had opportunities to make surveys in a number of states and you probably are familiar with some of the studies that were conducted of institutions, detention homes, and juvenile court in Rhode Island, and similar studies were made in Idaho at the request of the Idaho Children's Commission. These took into account the Idaho Industrial Home and the survey of the staff's division on the basis of many of the major legislative programs that are now going to be recommended by the commission and are currently before the Idaho Legislature.

Idaho, as you may remember, is a State that consistently was slower in the expenditure of child welfare funds. As they have begun to look at the problems of their children and youth, the Idaho Youth Rehabilitation Act and other proposed legislation has been influenced a great deal by the study we have been able to help them make.

There were requests for 1,000 consultations, many of which involve surveys. Field visits were made in response to about half of these requests.

We have been working with the new unit of youth development which is in the Office of the Chief, and the funds for this are provided through the Juvenile Delinquency Act. So that we work very closely and do have an opportunity to work with those cities where grants have not been given under the Juvenile Delinquency Act in an effort to help them develop and mobilize their own strengths.

Mr. FOGARTY. How do you work with the juvenile delinquency program in the Department of Justice?

Mrs. OETTINGER. We work very closely. We share information and we respond to their need for consultation in those cities where they are considering grants for either demonstration or for training.

INFANT MORTALITY RATES

You might be interested in the infant mortality situation.

Mr. FOGARTY. I was going to ask you about that. On page 141, you say the "1960 figures show that the difference in infant mortality rates among the States are considerable, the lowest being 19.6 per thousand live births and the highest 41.6."

Will you put that table in the record?

Mrs. OETTINGER. Yes. We have it up to date for 1961.
(The table follows:)

*Infant mortality rate, United States, each State and specified areas, 1955-61—
Number of deaths under 1 year per 1,000 live births*

[By place of residence. Exclusive of fetal deaths]

Area	1955	1956	1957	1958	1959	1960	1961
United States.....	¹ 26.4	¹ 26.0	¹ 26.3	¹ 27.1	² 26.4	³ 26.0	³ 25.3
Alabama.....	32.0	30.9	32.1	35.4	31.8	32.4	31.1
Alaska ⁴	37.4	41.2	38.0	38.7	42.9	40.5	37.0
Arizona.....	34.8	32.3	35.7	33.0	33.1	31.9	30.6
Arkansas.....	27.7	25.7	26.2	26.3	26.5	27.4	27.5
California.....	23.6	24.0	24.9	24.6	23.6	23.3	23.3
Colorado.....	30.3	29.1	30.2	30.6	28.8	27.5	26.2
Connecticut.....	21.7	21.8	21.7	23.8	22.4	21.1	22.3
Delaware.....	25.0	24.2	23.4	28.1	24.8	23.8	26.2
District of Columbia.....	32.2	33.5	35.5	38.7	36.8	36.4	35.6
Florida.....	29.7	31.8	31.9	31.7	31.7	29.7	28.9
Georgia.....	29.9	30.1	30.4	31.1	32.5	33.0	29.4
Guam ⁵							
Hawaii ⁴	20.6	22.6	24.0	23.1	24.0	23.2	21.7
Idaho.....	20.8	22.3	24.8	23.7	22.2	22.9	23.1
Illinois.....	24.8	24.5	25.5	24.9	25.0	25.0	24.3
Indiana.....	25.0	24.3	23.8	24.6	23.4	23.9	24.0
Iowa.....	22.1	20.6	20.9	22.7	21.5	21.9	20.6
Kansas.....	23.3	23.3	22.4	23.0	22.6	22.1	22.1
Kentucky.....	30.4	28.8	28.7	29.1	27.3	27.9	27.8
Louisiana.....	31.6	30.4	32.3	34.7	32.9	32.0	30.3
Maine.....	24.7	24.6	25.1	26.5	26.1	25.5	25.3
Maryland.....	27.6	26.0	28.1	28.8	28.6	27.3	25.7
Massachusetts.....	21.9	22.4	22.7	22.8	22.3	21.6	21.6
Michigan.....	24.9	24.5	24.4	24.6	24.4	24.1	23.9
Minnesota.....	21.8	21.4	23.0	22.8	21.1	21.6	22.2
Mississippi.....	37.0	37.9	37.0	41.0	39.0	41.6	37.8
Missouri.....	25.3	24.5	25.0	26.4	24.5	24.7	24.7
Montana.....	25.0	27.9	25.1	25.7	24.5	25.0	25.6
Nebraska.....	23.7	22.8	23.9	24.7	23.5	21.9	22.8
Nevada.....	30.0	33.8	30.8	31.9	32.4	30.1	28.3
New Hampshire.....	25.7	21.7	26.4	24.9	22.1	23.6	24.4
New Jersey.....	24.2	24.2	24.2	24.5	24.6	24.6	23.6
New Mexico.....	43.0	35.9	39.4	37.3	32.9	33.2	29.6
New York.....	24.3	23.7	23.9	24.5	24.7	24.1	23.7
North Carolina.....	30.3	30.9	30.5	32.6	32.7	31.7	30.7
North Dakota.....	25.1	24.8	25.7	24.9	23.7	24.8	23.2
Ohio.....	24.8	24.7	24.7	25.3	25.0	24.0	23.1
Oklahoma.....	26.7	26.6	25.6	27.4	24.1	25.5	24.0
Oregon.....	24.1	23.0	21.9	23.4	25.1	23.2	22.9
Pennsylvania.....	24.6	24.5	24.5	25.5	24.9	24.5	23.6
Puerto Rico ⁴	55.8	55.1	50.3	53.2	47.6	43.3	⁽⁵⁾
Rhode Island.....	23.4	24.2	24.1	21.3	24.0	23.3	22.5
South Carolina.....	34.1	32.2	31.6	33.9	35.0	34.3	32.4
South Dakota.....	26.1	23.3	26.0	26.3	22.9	28.1	25.1
Tennessee.....	29.2	27.5	29.2	30.9	30.3	29.4	29.2
Texas.....	30.3	29.5	29.5	30.6	28.5	28.9	26.7
Utah.....	20.4	21.8	21.6	22.1	20.0	19.6	20.3
Vermont.....	26.1	24.1	25.4	22.4	23.7	24.1	27.2
Virgin Islands ⁴	44.9	66.5	50.1	44.3	43.4	⁽⁵⁾	⁽⁵⁾
Virginia.....	29.5	29.6	30.2	31.1	31.0	29.8	28.0
Washington.....	24.5	23.4	24.2	26.1	24.0	23.4	22.7
West Virginia.....	27.3	25.2	27.4	26.4	27.2	25.5	26.7
Wisconsin.....	23.7	22.8	22.2	23.6	23.4	21.8	22.7
Wyoming.....	28.5	27.8	26.5	27.8	26.9	28.2	27.0

¹ Exclusive of Alaska, Hawaii, Puerto Rico, Virgin Islands, and Guam.

² Exclusive of Hawaii, Puerto Rico, Virgin Islands, and Guam.

³ Exclusive of Puerto Rico, Virgin Islands, and Guam.

⁴ By place of occurrence, except: Alaska, 1959-61; and Hawaii, 1960-61.

⁵ Data not now available.

Source of data: National Vital Statistics Division.

MATERNAL MORTALITY RATES

Mr. FOGARTY. And you say the "State differences in maternal mortality rates ranged from a low of 1.2 per 10,000 live births to a high of 8.8 per 10,000 during 1959-60 with the rate for the Nation as a whole being 3.7."

Do you have that table?

Mrs. OETTINGER. Yes.

Mr. FOGARTY. We will put that in the record.

(The table follows:)

Average maternal mortality rate, United States,¹ each State, 1959-60 (by place of residence)

<i>State ranked on rate</i>	<i>Rate per 10,000 live births</i>	<i>State ranked on rate</i>	<i>Rate per 10,000 live births</i>
Minnesota.....	1.2	Colorado.....	3.5
Idaho.....	1.5	Michigan.....	3.5
Hawaii ²	1.7	Arizona.....	3.6
Washington.....	1.7	New Jersey.....	3.6
Nebraska.....	1.8	Oklahoma.....	3.8
Iowa.....	2.0	Missouri.....	4.1
Kansas.....	2.0	Kentucky.....	4.2
Massachusetts.....	2.0	Nevada.....	4.2
Connecticut.....	2.1	Alaska.....	4.3
Vermont.....	2.1	Delaware.....	4.3
New Hampshire.....	2.2	New York.....	4.3
Rhode Island.....	2.2	Texas.....	4.5
South Dakota.....	2.2	Tennessee.....	4.7
Montana.....	2.3	New Mexico.....	4.8
Wyoming.....	2.4	Florida.....	4.9
Indiana.....	2.5	Virginia.....	4.9
Maine.....	2.6	North Carolina.....	5.1
Illinois.....	2.7	Louisiana.....	5.2
North Dakota.....	2.7	Arkansas.....	5.8
Oregon.....	2.7	Georgia.....	6.5
Utah.....	2.7	South Carolina.....	6.6
California.....	2.9	Alabama.....	7.8
Pennsylvania.....	3.0	District of Columbia.....	7.8
West Virginia.....	3.1	Mississippi.....	8.8
Wisconsin.....	3.1		
Ohio.....	3.2	United States.....	3.7
Maryland.....	3.3		

¹ Exclusive of Hawaii, Puerto Rico and Virgin Islands in 1959; and of Puerto Rico and Virgin Islands in 1960.

² By place of occurrence.

Source of data: National Vital Statistics Division.

INFANT MORTALITY

Mr. FOGARTY. Tell us what you want about infant mortality. Our committee has been very concerned over the past years because we do not seem to be improving. There are many other countries that have a better record than we have. We were about seventh or eighth.

Mrs. OETTINGER. We are now tenth.

Mr. FOGARTY. Tenth? We are getting worse then.

Mrs. OETTINGER. Yes, sir. Other countries have made a more rapid percentage of improvement than we have in the last 10 years. We are also very concerned about the unevenness between the States. In some of our States, the rate is so good that, for example, if all the States had a record equivalent to Utah, we would have saved the lives of 21,000 infants annually.

Mr. FOGARTY. Is Utah the best?

Mrs. OETTINGER. Yes, it is 20.3 now. Rhode Island is a close runner-up.

Mr. FOGARTY. What is Rhode Island?

Dr. LESSER. Rhode Island has the lowest maternal mortality rate for 1961, 0.5 per 10,000 births.

Mr. FOGARTY. We have one of the best hospitals in the country in Rhode Island.

Mrs. OETTINGER. This compares so differently with some infant statistics where the mortality rate is getting worse.

Mr. FOGARTY. Why is Utah so good?

Mrs. OETTINGER. Dr. Lesser, do you want to say why?

Dr. LESSER. I think some of the factors have to do with the composition of the population. They have a more homogeneous population I think than a number of other States, such as some of the Eastern States, and also—

Mr. FOGARTY. What about the number of births that take place in the hospitals, between Utah and other States?

Dr. LESSER. I think they are probably comparable. Births taking place in the hospital today represent about 95 percent of all births.

Some of the problems we have, especially in the larger cities where city hospitals are crowded, result in women going home in 2 or 3 days. Sometimes here in the District of Columbia General Hospital in 36 hours, because of the crowding.

Mr. FOGARTY. Is that one of the reasons they have the highest infant mortality rate in the country?

Dr. LESSER. It is. And this new-born period is pretty critical for the baby and these are mostly poor families, living under poor conditions.

Mr. FOGARTY. But the hospitals are still advocating that, are they not? Getting the mother up quickly?

Dr. LESSER. Not really less than 5 days; you know, when you get down to 2 days or 3 days, this is necessary rather than desirable.

Mr. FOGARTY. Go ahead, Mrs. Oettinger.

Mrs. OETTINGER. The prematurity rate is so much higher. The rate for the country, as I understand it, is 7 per hundred, and the rate in the District is 12. So that we know that a youngster who is born prematurely comes with some handicap of more or less degree. This perhaps reflects the fact that so many mothers come to delivery without any prenatal care.

I listened to a committee yesterday that was concerned about infant mortality in the District of Columbia and I was very disturbed about the exceedingly high rate that seems to be getting worse instead of better.

Mr. FOGARTY. Premature births account for a lot of problems we have been told, and we are spending quite a bit of money on this in the Institute of Neurology, under their research program.

MENTAL RETARDATION

What accomplishments would you like to talk about in the field of mental retardation during the past year?

Mrs. OETTINGER. Well, I think we could point to it in three areas. The area of research, we have already mentioned the services, both health and welfare.

As you know, at the present time we are helping through Federal funds 60 out of 100 clinics, evaluation clinics, that have increasingly spread throughout the country.

In the field of PKU, we have moved forward in identifying this at an early time and are now in the midst of the studies that are associated with using the Guthrie blood test, in which we expect 400,000 infants will be tested before they leave the hospital.

Mr. FOGARTY. The State of Massachusetts has a statewide plan; all hospitals are cooperating in this particular test. Are you keeping up with the results of this?

Mrs. OETTINGER. Oh, indeed. And we are very happy to bring the report to you they found 10 positive cases in a study of 55,000. And this is at a higher rate than was anticipated discovering these cases.

Dr. LESSER. Yes.

Mrs. OETTINGER. You see, if they are taken at this early date, there is a real chance they will not have the severe retardation that otherwise they would have.

Mr. FOGARTY. When was this started?

Dr. LESSER. Massachusetts was the first State to get started; they started last summer.

Mr. FOGARTY. I thought someone told me it was the only State.

Dr. LESSER. There are 26 States now participating.

Mr. FOGARTY. With full coverage of all hospitals?

Dr. LESSER. No. Massachusetts—I was referring to the trial of the Guthrie test. Massachusetts did 35,000 newborn baby tests by January and found 7 babies in the newborn period, and immediately moved to doing this in all hospitals. All newborn babies are being tested in Massachusetts.

Mr. FOGARTY. Are the tests standing up as well as the other PKU test?

Dr. LESSER. The diaper test? We think from these preliminary results that it would be much better, if the preliminary results continue in the way that they have to date.

Mr. FOGARTY. You have better coverage?

Dr. LESSER. Better coverage and the advantage of finding the babies real early.

The diaper test, usually you do not pick up the babies until 5 or 6 weeks. Here you have practically 100 percent of your baby population in the hospital at one time so that you can test them all. And to date, well as of January, 55,000 newborns were tested, 10 have been diagnosed as positive and placed on diets and these babies are only 2 or 3 weeks old.

Mr. FOGARTY. Is that higher than they expected?

Dr. LESSER. Yes, sir. This gives us a ratio of about one in 5,500, whereas we commonly report that the incidence of PKU is about one in 20,000.

Mr. FOGARTY. Are you familiar with a cooperative research project carried on under a grant from the Office of Education in California, regarding the determination of whether a child is retarded or not at 22 months?

Dr. LESSER. No, sir. I am not familiar with it.

Mr. FOGARTY. That is a significant advantage, is it not?

Dr. LESSER. I would think so.

Mr. FOGARTY. Go ahead Mrs. Oettinger.

Mrs. OETTINGER. Take the maternal services, a good deal of training goes into this situation for all kinds of personnel—doctors, nurses, and social workers. We have had a special push in relation to training social service workers and we are about to publish a book that will give a good deal of content for use in the social service relating to mental retardation.

We find 10 percent of the children who are in the child welfare services do have the complication of mental retardation.

Mr. FOGARTY. I would assume that because of the President's interest in this particular problem, that we could expect almost a crash program in the field of mentally retarded.

Mrs. OETTINGER. I think the way some of the literature we have developed this year, our publication on this subject has gone all the way from highly technical material for specialists to popular articles which are helpful to the families in the care in the home of the mentally retarded. The way that these have been sought after is some indication that there is a crash in popular interest.

Mr. FOGARTY. Well, the President's Committee's report and his message of a few weeks ago would lend interest—which I think is good; I am all for it.

CONGENITAL HEART DISEASE

What are you doing in the problems of the congenital heart difficulties?

Mrs. OETTINGER. We have hoped to have some very specific findings in the followup of these children but I think it would be better for Dr. Lesser to tell you because this is one of the programs——

Mr. FOGARTY. This is under the crippled children's program?

Dr. LESSER. Yes, sir.

Mr. WYNKOOP. Yes.

Mr. FOGARTY. What are we spending this year in the crippled children program?

Dr. LESSER. \$25 million. That is the authorization.

Mr. FOGARTY. What do you think the States could match in this area?

Every once in a while my attention is called to the need of some child for one of these heart operations and no one has the necessary money.

Dr. LESSER. States run out, use it for other purposes, and we have a terrible time trying to find a way of performing this operation on someone whose parents cannot afford it. You know the results.

Mr. FOGARTY. That is why I asked.

Dr. LESSER. Yes.

Mr. FOGARTY. I know the States could use two or three times the amount they are getting, or more.

Dr. LESSER. Well, we are actually proposing an administration bill H.R. 3386, that the authorization be increased by \$5 million a year to reach an authorization of \$50 million by 1970. This would give us——

Mr. FOGARTY. Do you think that is enough?

Dr. LESSER. We would be glad to settle for that right now.

With regard to the problems of congenital heart disease, it is just about the most expensive kind of a problem there is to deal with in children.

COST OF HEART SURGERY

Mr. FOGARTY. What is the cost of the average operation? Around \$2,000?

Dr. LESSER. Yes. It costs the State agency about \$2,000, but it costs private patients about \$4,000 or \$5,000 for open-heart surgery. So that there are very few people who can afford this.

This chart shows how the numbers of children with congenital heart disease receiving diagnostic services or treatment services or both in the crippled children's program have increased since 1950. In 1961, it was 20,200. So that it goes up.

Mr. FOGARTY. Not 20,000 operations?

Dr. LESSER. No, sir; not all are operations, probably 20 or 25 percent. Some children receive diagnosis alone, others treatment without surgery, and others surgery.

Mr. FOGARTY. In other words, 4,000 or 5,000?

Dr. LESSER. I would think so.

Mr. FOGARTY. How many children do you think ought to be operated on, compared to the 4,000 or 5,000?

Dr. LESSER. This is difficult to say. There are 30,000 born a year. About 7,000 die in the first year; and we do not know the volume of patients needing care and not receiving care. You asked us this last year.

Mr. FOGARTY. What about the first 6-month period? Can something be done then?

Dr. LESSER. Yes. I think some of the surgeons think something could be done. Of course, the baby under 6 months is awfully small and the surgical approach is very difficult but I think they are making much progress in this area.

Mr. FOGARTY. Well, I know many, many cases that are not being taken care of, because the States run out of money and parents just cannot afford it.

Dr. LESSER. That is true. We hear about this.

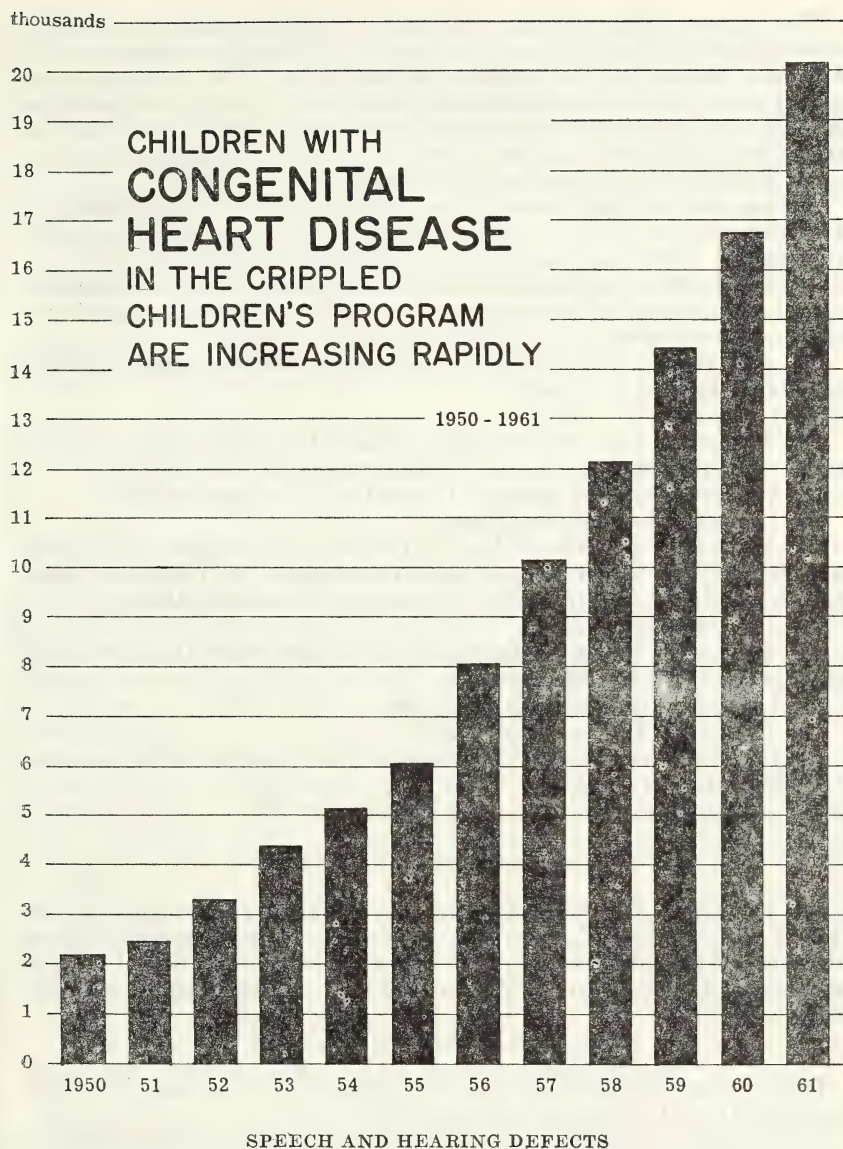
Mr. FOGARTY. Were you going to say something else?

Dr. LESSER. No.

Mr. FOGARTY. Will you put that chart in the record?

Dr. LESSER. Yes, sir.

(The chart follows:)



Mr. FOGARTY. All right. What are you doing on speech and hearing defects?

Dr. LESSER. Well, last year, the State health departments reported about 4½ million children tests of hearing by audiometers in the child health and school health programs, and about 100,000 of these were referred because of evidence of some hearing impairment, many of whom turned out on retesting to have normal hearing.

The State crippled children's agencies provided services for children handicapped by hearing loss to about 25,000 such youngsters. We also have several special projects in this area. We are supporting special projects for advanced training in audiology in five universities, and we also supported during this past year several institutes for nurses, for physicians, and for others, in the early detection and screening of youngsters with hearing impairment.

We are also at the present time, working with St. Christopher's Hospital in Philadelphia, in an institute on speech training for retarded youngsters. This is one of the first of ours in this direction.

Of course, with the growth of clinics for the retarded children, we will be seeing greatly increased need for better understanding of how retarded youngsters can be helped to learn to speak.

Mr. FOGARTY. You must have a tremendous shortage of audiologists in the country also?

Dr. LESSER. Yes.

Mr. FOGARTY. We are not doing an awful lot about that to catch up on the backlog. We are doing something, but not enough.

Dr. Wilkerson was instrumental in getting a program started.

Dr. LESSER. He died, you know.

Mr. FOGARTY. I know he died. It is too bad because he, I think, as much as any other person, was responsible for Congress doing something about this problem of speech and hearing defects.

Dr. LESSER. Yes, indeed.

Mr. FOGARTY. He is the first man to contact us in this area. He was a very dedicated person.

Dr. LESSER. Yes, sir. We miss him.

Mr. FOGARTY. He had a good clinic.

Dr. LESSER. Yes, the Bill Wilkerson Clinic, named after his son, at Vanderbilt University.

Mrs. OETTINGER. We give some support for this.

SALARIES AND EXPENSES

Mr. FOGARTY. For "Salaries and expenses" the appropriation for 1963 is \$2,853,000 and there is a request for a supplemental appropriation of \$133,000 pending. The request for 1964 is \$3,401,000, an increase of \$415,000 and seven positions if the supplemental is approved.

ADDITIONAL POSITIONS FOR 1963

Tell us what the justification is for the supplemental, especially why you need 16 additional positions in 1963.

Mrs. OETTINGER. They were all geared to taking care of the increased load dependent upon the 1962 amendments.

Mr. FOGARTY. Will you supply for the record a breakdown of these 16 positions?

Mrs. OETTINGER. We can do it by item for you.

(The information follows:)

SALARIES AND EXPENSES, CHILDREN'S BUREAU

New positions requested, fiscal year 1963

[Supplemental request]

	Positions	Grade
Division of Social Services:		
Training specialist.....	1	GS-14.
Do.....	1	GS-13.
Day care specialist.....	2	GS-13.
Specialist on coverage of child welfare services.....	2	GS-13.
Specialist on State plan requirements.....	1	GS-13.
Secretary.....	6	GS-5.
Total, Division of Social Services.....	13	
Division of Research:		
Day care research analyst.....	1	GS-14.
Research analyst on program coverage.....	1	GS-13.
Total, Division of Research.....	2	
Division of Administrative Services: Fiscal analyst.....	1	GS-12.
Total new positions requested.....	16	

FORCED SAVINGS

Mr. FOGARTY. Most of the increase of 1964 is for pay costs and to annualize the new positions you hope to get in the supplemental. But what is this \$42,000 for "restoration of 1963 savings"?

Mrs. OETTINGER. Well during this past year, in order to effect savings as a result of the pay raise, we were unable to fill some positions which amounted to \$42,000 by allowing lapse of these positions during this last year.

Mr. FOGARTY. I understand these decisions were forced on you. It was not your decision originally but it must make you feel quite uncomfortable to be asking for a supplemental appropriation for 1963 and at the same time be cutting back to show savings in 1963, and then also, at the same time, be asking that the savings be restored in 1964.

Well, I understand that is not your fault. This is something that you had to do because of a decision higher than you was made in this area.

Your program increases, not included in the supplemental, amount to \$120,000. Tell us what this is for.

NEW POSITIONS FOR MENTAL RETARDATION

Mrs. OETTINGER. It includes \$70,000 for seven positions that have to do with mental retardation.

Mr. FOGARTY. All mental retardation?

Mrs. OETTINGER. All mental retardation.

This grew out of the situation that the Children's Bureau's quality and kind of service fitted in with a number of the needs that were demonstrated through the President's panel report on mental retardation and therefore, these seven positions we are asking for in three areas.

Mr. FOGARTY. Will you spell out, in the President's Committee's report, where these seven positions will be?

Mrs. OETTINGER. Their report was not in that detail, but these positions reflect areas that we feel we need to move into, for example, into the legal aspects of mental retardation; into more evaluation of

psychological and social situations, and then, too, keener statistical accounting, which we hope will give us more of a picture of incidence and more refinement of the characteristics of the mentally retarded.

Mr. FOGARTY. Who is going to carry on the statistical work? Are you?

Mrs. OETTINGER. Yes. Our Division of Research carries on statistical studies in the fields of child welfare, health, and juvenile delinquency, and we would like to have a more refined opportunity to look into some of the situations that relate to mental retardation.

RELATIONSHIP WITH INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Mr. FOGARTY. What is your relationship with the new Institute of Child Health and Human Development?

Mrs. OETTINGER. Well, we have had a number of conferences.

Mr. FOGARTY. They are not going to swallow you up, are they?

Mrs. OETTINGER. We think there is not going to be any curtailment of our service.

Mr. FOGARTY. We hope not. This committee has been trying to build up the Children's Bureau in the last 4 or 5 years. We are a little suspicious of some of the things that are going on in this reorganization in the Department and establishment of this new Institute. We think the Children's Bureau should be here to stay and ought to expand and not have others chisel away at your functions.

Mrs. OETTINGER. We have a memo of understanding, that we hope will achieve just that end; expanding and complementing the services that the new Institute is designated to do. Their research will be in the search for new knowledge, and ours will be related to programs and knowledge that we need to have about services; about methods of administration; about many program areas, for example, we wish we knew more about. Just the sort of thing you were talking to with Dr. Lesser.

What is the date at which, in general, a baby can safely be sent home from the hospital?

What about the mother, and the number of days that hospitalization is demanded for the optimal health situation?

That kind of study. That is in the area, really, of our programs, and therefore, related to them.

I think we also have an understanding, not only of the differences between the research approach that we would take in the demonstration approach; but also it has been agreed that there will be a representation in an ex-officio capacity on their advisory committee, of the Children's Bureau and we felt that ought to be a further safeguard.

Mr. FOGARTY. Is there anything else you would care to say on your relationship with the new Institute of Child Health and Human Development?

Mrs. OETTINGER. Well, we have this memo of understanding, which I think, does blueprint how we propose to operate in relation to their kind of research, and the sort that we can properly do but we also recognize that there may be some overlap and I hope our good personal relationships will be maintained to the point where some gray area appears, in the light of subsequent experience, we can iron this all out.

Mr. FOGARTY. We will put the entire memo in the record.

(The memo follows:)

MEMORANDUM OF UNDERSTANDING BETWEEN PUBLIC HEALTH SERVICE-NATIONAL
INSTITUTES OF HEALTH AND SOCIAL SECURITY ADMINISTRATION-CHILDREN'S
BUREAU ON RESPONSIBILITY FOR RESEARCH IN CHILD HEALTH AND RELATED
ACTIVITIES

A. PURPOSE

This document has been developed jointly by the Public Health Service, the Social Security Administration, and the Office of the Secretary in order to delineate so far as possible the areas of responsibility of Public Health Service-National Institutes of Health and Social Security Administration-Children's Bureau for child health research and related activities in order to bring about optimum coordination of their programs and activities.

B. RESPONSIBILITY FOR CHILD HEALTH RESEARCH ACTIVITIES

1. *Responsibility of Children's Bureau*

Children's Bureau has authority to conduct research in child health. The act of April 9, 1912, directed the Bureau to "investigate and report on all matters pertaining to the welfare of children and childlife." Examples cited in the law include infant mortality, the birth rate, and accidents and diseases of children. Under this mandate the Children's Bureau has conducted many studies of maternal and childhood mortality and morbidity; child growth and development; social, economic, and psychological aspects of childlife; and health and welfare services for children.

Title V (pts. 1 and 2) of the Social Security Act provides for payments to States to extend and to improve services for promoting the health of mothers and children and for locating crippled children and providing them with medical, surgical, corrective, and other services and care. It also authorizes grants to State health agencies and institutions of higher learning for special projects of regional or national significance which may contribute to the advancement of maternal and child health or services to crippled children.

Additionally, legislation is pending that would provide authority for the Children's Bureau to make grants, or enter into contracts or other cooperative arrangements, for research relating to maternal and child health services and crippled children's services (S. 2273, 87th Cong.).

The Children's Bureau will concentrate on research directed toward the evaluation of programs and improving the development, management, and effectiveness of maternal and child health and crippled children's services. The following are examples of areas and projects conceived to fall under that heading:

<i>Area</i>	<i>Project title</i>
Studies to evaluate program.....	Effectiveness of current practices in well-child conferences.
Statistical and epidemiologic studies.....	Variations in incidence of congenital anomalies of the newborn in the general population.
Study of applicability to program of a basic research discovery.	A trial of a blood phenylalanine screening method in 400,000 newborn infants (to detect phenylketonuria).
Studies to develop and evaluate techniques.	Vision screening methods in pre-school children.
Studies of outcome of practices.....	Effect of early discharge of maternity patients from hospital.
Study of results of programs.....	Comparison of different methods of caring for prematures, as in hospital where born or transported to centers.
Clinical studies.....	Management of scoliosis in crippled children's programs.
Studies in trends.....	Changing patterns of inpatient hospital care on pediatric wards.
Studies on costs.....	Studies of cost of finding correctable defects through screening methods in school health services.
Administrative studies.....	Calculating hospital costs.

2. *Responsibility of Public Health Service-National Institutes of Health*

On the enactment of legislation authorizing the establishment of a National Institute of Child Health and Human Development (S. 2269, 87th Cong.), National Institutes of Health will organize, staff, and equip such Institute, so that it will be able to conduct and support research and training relating to child health and human development, including research and training in the special health problems and requirements of children and in the basic sciences relating to the processes of human growth and development. The activities will encompass both intramural and extramural programs directed toward broad exploration of phenomena of human development and the support of resource programs essential to such research activities. Both the biological and behavioral aspects of such phenomena are to be investigated. The programs include emphasis on the basic sciences related to the processes leading from conception to birth, childhood, adolescence, and maturation, as well as the behavioral sciences essential to understanding the course of intellectual and emotional growth, particular attention is given to advancing research in the related clinical sciences of obstetrics and pediatrics. In these terms, National Institutes of Health has concern with the problems of health whose specific nature derives essentially from or is primarily associated with the growth and development process of the individual as a whole, as well as a continuing concern with particular disease or pathological conditions. Within this broad framework, provisions are made for the special focusing of activities relating to child development.

C. RESPONSIBILITY FOR TRAINING ACTIVITIES

1. *Responsibility of Children's Bureau*

Pursuant to Title V of the Social Security Act, as amended, the Children's Bureau makes (a) special project grants for training to schools of public health, nursing, social work, and medicine; and (b) special project grants to institutions of higher learning for the support of such teaching as will contribute to the advancement of programs for maternal and child health and crippled children's services, such as child health supervision, newborn and premature care, care of handicapped children, and parent education.

2. *Responsibility of National Institutes of Health*

National Institutes of Health will provide training and instruction and make grants to public or nonprofit institutions for training in matters relating to diagnosis, prevention, and treatment of a disease or diseases or in other aspects of child health and human development. The National Institutes of Health will not develop or support training programs dealing with those matters covered in C.1, above, except after prior consultation and agreement with the Children's Bureau.

D. EFFECTING PROGRAM COORDINATION

1. The Chief of the Children's Bureau will serve as an ex officio member of the National Advisory Council on Child Health and Human Development, whenever it is established. Day-to-day coordination of activities of Children's Bureau and National Institutes of Health normally will be conducted informally by the individuals concerned. To assist in coordination activities, liaison representatives will be designated and their areas of responsibilities will be detailed subsequently.

2. The two pending legislative proposals referred to above are intended to strengthen Federal programs dealing with child health and related activities and to bring about close coordination of Children's Bureau and National Institutes of Health programs and activities. The bill to authorize the establishment of an Institute of Child Health and Human Development provides that "nothing in this part shall be construed as affecting the authority of the Secretary under section 2 of the Act of April 9, 1912 (42 U.S.C. 192) or title V of the Social Security Act (42 U.S.C., ch. 7, subch. V), or as affecting the authority of the Surgeon General to utilize institutes established under other provision of this Act for research or training activities relating to child health and human development * * *"

3. It is recognized that it is not possible to make an absolute differentiation between the research and related activities to be conducted and supported by the Children's Bureau and that to be conducted and supported by the National Institutes of Health. Whenever there are programs or projects which do not clearly fall into either jurisdiction or if there are other doubtful matters, the issues will be resolved through the liaison representatives or through other joint Chil-

dren's Bureau-National Institutes of Health efforts. Policy questions that cannot be resolved by the representatives of the two agencies will be referred to the Office of the Secretary for settlement.

JUVENILE DELINQUENCY

Mr. FOGARTY. Now, you have 27 positions and over \$300,000 for juvenile delinquency activities.

I have heard people ask why should not this be merged with the Office of Juvenile Delinquency and Youth Offenses. We are getting juvenile delinquency problems spread in several departments in Government today, and some people ask me, "Why should it not all be in one place?"

What do you have to say on this, Mr. Green, or on anything else in your field?

Mr. GREEN. Just to supplement Mrs. Oettinger's comments, there has been considerable activity, acceleration of activity from the States, for technical consultation in this last year, where we have been running approximately 1,000 consultations a year, and about 500 of those require actual field visits, on-the-spot field visits.

STATEWIDE SURVEYS

This involves everything from short, 2-hour consultations, to 1- and 2-week surveys. It involves everything from one staff person to five or six. In the Rhode Island study, we used approximately six consultants.

RHODE ISLAND STUDY

Mr. FOGARTY. I was going to ask you—on page 200, you mentioned studies in Idaho and Rhode Island. Also, a survey of institutions for the rehabilitation of delinquent boys and girls.

Would you put a description of this in the record?

Mr. GREEN. Yes.

(The information follows:)

During the past year staff of the Division of Juvenile Delinquency Service, Children's Bureau, has been engaged in a study of Rhode Island's juvenile delinquency services and structure at the request of the Rhode Island Commission To Study Juvenile Delinquency. The areas studied included training schools for delinquent youth, probation and parole services, detention care, Rhode Island family court law, and State structure of these services. In addition, the Division's consultant on institutions worked closely with the department of public welfare in their plans for the construction of new training school facilities made possible by a \$2½ million bond issue.

On January 22, 1963, the consultants met with the members of the Rhode Island commission as well as agency and institution representatives to present their findings. These studies were well received. Recommendations were made to modify the program to build a detention center, strengthen the treatment staff and services of the institutions caring for delinquent youth, and achieve greater coordination of the State's services for delinquent youth. The final draft of the survey is now being completed for distribution to the commission and interested agencies and individuals.

Mr. FOGARTY. Has the application been approved?

Mr. GREEN. Yes. The studies are being printed; the final reports on most of the studies are being printed. The preliminary ones have been sent to the proper officials in Rhode Island, and have been reviewed and returned now for final printing, and the legal and the court study is in its preliminary stages, and it will be sent up for

review, and that will conclude the Rhode Island study and that all should be within the next very few weeks. The consultants in a group met with the officials at their request, in Rhode Island, and gave them verbal reports on all of the aspects that are mentioned there—the law and the court's detention, law enforcement, and institutions.

Mr. FOGARTY. Go ahead.

Mr. GREEN. Well, this is illustrative of the increase in the activities and requests that we have been receiving. This was the same type of a survey that was carried on, as Mrs. Oettinger mentioned, in Idaho, and to a lesser degree, in Illinois.

Now, obviously, this is quite time consuming and we can only take on a limited number of these statewide surveys, and I think that with the increase in interest that was brought about by the administration, the President's Committee on Juvenile Delinquency, there probably will be a number of requests for technical help.

Mr. FOGARTY. You have been in this field for quite a while now.

Mr. GREEN. Yes.

Mr. FOGARTY. I remember your first appearance before the committee. It was not one of your better days, as I remember it.

Mr. GREEN. Probably not.

Mr. FOGARTY. I did not give you a bad time that day, but I thought you were getting some pretty rough questioning.

Mr. GREEN. This has been a bad subject over the years.

REASONS FOR FEDERAL PROGRAM ON JUVENILE DELINQUENCY

Mr. FOGARTY. What is your answer to the Members of Congress who say, "Why should we be spending money on juvenile delinquency? Why should the Federal Government be in this area? Let the State do it or the communities do it"; or, "It is a family problem. They ought to straighten it out themselves."

These are some of the general remarks I hear in opposition to programs of this sort.

As a professional person, what would your answer be?

Mr. GREEN. I heard you answer that several times, just since this committee has been meeting here this morning, in relation to other services that we have been discussing, where you said the local communities are not doing it; the States are not doing it; and it is not going to be done unless it is done by someone else.

Mr. FOGARTY. Well, the Members of Congress and other people, too, just brush juvenile delinquency away. They just do not consider it to be important.

I am trying to get you to be a little bit dramatic about it.

Mr. GREEN. It is not very difficult to be very dramatic about it. For example, we are well aware of the fact that about a million and a half youngsters were brought before the police last year, that came to the attention of the police. We know that this is probably merely like an iceberg; the part that came before the police is that part which is above the water and that part which is undetected probably like the part below the water, in terms of the size of the problem.

Certainly, the fact that the press and radio and television day in and day out, highlight some of the more dramatic types of cases, involving assaults, and runaways, and murder, and so forth, keeps the problem before the general public.

Now, we are well aware of the fact that this is an unpleasant problem, and that people have a tendency to turn away from the unpleasant problems. With the 800,000 kids that came before the children's courts last year, we were well aware of the fact that this is extremely costly, both in dollars and cents for having these youngsters rehabilitated in institutions, training schools, forestry camps, reception, and diagnostic centers, as well as extremely expensive for the community in relation to supervisory services; and of course, one of the problems that is very costly is the fact that so many of these youngsters are being cared for at high expenses in the institutions, when there should be developed local supportive services in the local communities; namely, probation services.

In other words, we are dealing with the end results. What you read about here, in relation to the—just to the District of Columbia—in terms of the serious problem on delinquency, it is because we wait until after the problem gets so aggravated that then, the youngsters have to be institutionalized and these costs vary everywhere from \$2,000 to \$4,000 a year. It goes higher than that. The average cost of the youngster in institutions is close to \$4,000 a year—in a training school for the rehabilitation—whereas you can service these cases for one-tenth of the cost on probation, or supervision in the local community.

So that, in a sense, then, what I am saying is that it is really penny wise and pound foolish not to develop strong local resources, probation services, and diagnostic services, rather than wait until these youngsters engage in a series of robberies or burglaries or assaults and then have to be institutionalized. I do not know that anyone can honestly say what the cost of delinquency and crime in this country is.

Mr. FOGARTY. J. Edgar Hoover once made an estimate in a speech I read and generally, a lot of people pay attention to what J. Edgar Hoover says.

Mr. GREEN. They refer to his figure as \$20 billion.

Mr. FOGARTY. \$20 billion? I can quote him then?

Mr. GREEN. That is true. You can quote that.

Mr. FOGARTY. Do you have the speech I am referring to?

Mr. GREEN. I will see if I can find it.

Mr. FOGARTY. See if you can, and put it in the record.

(The information follows:)

Excerpts from speech by J. Edgar Hoover, Director of the Federal Bureau of Investigation, U.S. Department of Justice, entitled "The Path of Democratic Justice" presented at the 67th Annual Conference of the International Association of Chiefs of Police, October 1-6, 1960, in Washington, D.C., contained in "The Police Yearbook, 1961," chapter on "Administration," pages 8-9.

"The people of the United States are paying a terrific price for crime; and to learn that crime is still increasing at a rapid rate gives cause for sober thinking. The United States enjoys the world's highest standard of living but, at the same time, suffers one of the world's highest crime rates.

"Since 1950, crime has increased 69 percent—four times as fast as our expanding population. Today, we find ourselves confronted with the worst era of lawlessness in the Nation's history. Each 20 seconds another serious crime is added to the Nation's total. A murder, forcible rape, or assault to kill is committed every 4 minutes. There is a burglary every 46 seconds; a robbery, every 7 minutes; and 33 automobiles are stolen every hour.

"While budget-cutting local politicians deny many law enforcement agencies the resources to adequately perform their duties, the American people are being fleeced by the criminal element as never before. Our Nation's annual crime bill now totals \$22 billion—an amount equivalent to \$128 for every man, woman and

child in the United States. For every \$1 spent on education, \$1.11 goes to crime. And for every \$1 contributed to religious organizations, crime costs our people \$9.

"Shocking though these statistics may be, a far more tragic aspect of America's crime problem lies in the role played by youth. The specter of juvenile terrorism and gang-style intimidation hangs menacingly over community after community. A surging teen-age underworld—one which practices open defiance of the law and utter contempt for the rights and welfare of others—has arisen to challenge the forces of law and order. It casts a stigma upon every community where it exists.

"Since 1948, juvenile arrests have more than doubled, while the population in this age group has increased by less than one-half. Today, youthful offenders account for more than one-fourth of the arrests for robberies, one-half of the burglary and larceny arrests, and nearly two-thirds of the arrests for automobile thefts."

NEED FOR DISTRICT OF COLUMBIA PROJECT

Mr. FOGARTY. Why do we not have a better program here in the District of Columbia? Why has not something been done right here in the Capital of the country?

Mr. GREEN. It is one of the communities that has been selected by the President's Committee for a special grant, and probably Mr. Russell can tell you about that.

Mr. FOGARTY. What have they done?

Mr. RUSSELL. You touched on the major difficulty in devising any kind of program in the District. That is, the complex governmental structure on which they have to operate. We gave them a preplanning grant to enable them to do two things: One, to devise a training center within the District area to train a variety of different kinds of people who will be needed to administer the program.

The other is to plan a demonstration project or to at least begin a planning phase of a demonstration project.

The difficulty of getting into this planning phase in the District is compounded by the fact that you cannot locate the sources of decision-making in the District. In order to put on a major demonstration project, you have to be able to locate who can make the project go or who can stop it and in the District, there are a number of different avenues that become dead ends.

So that while you can locate a number of people who can help you move the project along, there are also a number of people, of organizations, who can effectively stop this kind of a project and we hope to involve all of these different people and organizations in the planning so that there will not be a stoppage of the project once it gets underway.

NEW YORK CITY PROJECT

Mr. FOGARTY. The Mobilization for Youth project in New York is a 5-year plan, is it not?

Mr. GREEN. Three-year plan.

Mr. RUSSELL. Three-year, with the hope to continue for five and maybe more.

Mr. FOGARTY. They are going to testify here next week. This came out of the old Henry Street Settlement—

Mr. GREEN. Right.

Mr. FOGARTY. The idea and the people, and they picked out what was supposed to be the more difficult part of the city; the lower East Side. Now, in the last 4 or 5 years, the complexion of that area has changed. Many old homes and tenements have been torn down and new apartments have been erected.

Someone raised that question that day; that it is not the same as it was when they made the original decision of where to start such a program.

What about that?

Mr. GREEN. Well, I think that since the planning started, there has been a change in the composition of the neighborhood but I frankly do not see how this is going to materially affect the project. I think there is ample opportunity to demonstrate what they are intending to do with the heterogeneous groups that they have, there, regardless of this mobility.

Mr. FOGARTY. I assume they will give about the same answer, which is about what I expected.

CYSTIC FIBROSIS

Here on page 204, you talk about the survey of cystic fibrosis. Will you tell us something about this?

Mrs. OETTINGER. This is in the final stages.

Mr. FOGARTY. What is it?

Mrs. OETTINGER. The disease, cystic fibrosis?

Mr. FOGARTY. No. I know what that is. But what is the survey?

Mrs. OETTINGER. The survey is in cooperation with the Public Health Service, and it is an effort to find out the incidence of cystic fibrosis in the United States, and it has gone through three or four phases, in undertaking the research, in order to have—for instance—geographical sampling; sampling of hospitals.

Mr. FOGARTY. You may expand on that and put it in the record.

Mrs. OETTINGER. All right.

(The information follows:)

The Children's Bureau survey of cystic fibrosis cases is being conducted in three parts:

The first phase obtained gross national estimates of the number of cystic fibrosis patients cared for in hospitals during each year 1952 through 1957. Results showed that during this period the diagnosis was being made with increasing frequency. The number of children discharged with a diagnosis of cystic fibrosis in 1957—approximately 2,500—was about twice the number discharged in 1952.

The second phase of the study investigated methodological problems connected with a sampling survey of cases of cystic fibrosis known to physicians and clinics. This pilot study was conducted in three States, Massachusetts, New Hampshire, and Vermont. The findings permit a preliminary rough estimate of the incidence of diagnosed cases in this pilot area: 42 cases per 100,000 live births or 1 case in 2,300 live births.

In the third part of the study, the methodology developed in the previous phases is now being applied in a survey of 17 Eastern States and the District of Columbia. It is anticipated that, with the larger population base and the refinement of techniques developed in the earlier surveys, more conclusive estimates can be derived of the incidence and prevalence of the disease. Approximately 4,900 physicians and 1,300 hospitals have been asked to report on their cases. Their cooperation has been excellent. About 92 percent of all medical sources queried have thus far responded. Since more than one physician or hospital may report on the same child, study staff must now match all such reports so that no child will be counted twice in estimating the total number of cases. It is expected that analysis of the data will be completed and reports prepared by the end of fiscal year 1965.

Mr. FOGARTY. Mr. Lesinski.

PARENTAL RESPONSIBILITY FOR JUVENILE DELINQUENCY

Mr. LESINSKI. Can you ever solve juvenile delinquency when many parents themselves do not take part in bringing up their children?

Mr. GREEN. If the parents themselves do not take a part? Is that your question?

Mr. LESINSKI. Yes, sir.

Mr. GREEN. Well, hopefully, you work with the child and with the parents as a unit in terms of retraining and rehabilitation of the child. That is the key of probation services, is to work with the youngster in his own setting and in his own home.

Now, if, in certain situations, the parents have either badly neglected the child or abused the child or damaged the child, to the extent where the child has to be separated from the parent, then you have to work with the child, rather than the child and the parents, and that happens in only a very, very few of the cases. That would be the exception where you have, in a sense, deprived the child of his parents, or the parents of their child.

Mr. LESINSKI. Do you agree with the theory that no child is a delinquent? He is made so by either his parents or by his environment?

Mr. GREEN. Well, he is certainly not born a delinquent.

Mr. LESINSKI. That is the point.

Mr. GREEN. And the things that happen to him, sometimes within his own home or within his environment, are the reasons why he engages in abnormal behavior, which becomes illegal behavior, often times. That is one of the reasons why you like to work with the parents and of course, in this particular demonstration in New York, that Congressman Fogarty referred to, this is also working with the environment. So it has a dual purpose.

Mr. LESINSKI. Is not delinquency caused primarily by—of course, one thing, the parents—but the other thing is primarily the lack of proper utilization of a child's free time—the proper use of his energies?

Mr. GREEN. Well, no. I do not think I can say the primary cause of delinquency would be his inability to use his free time properly.

Mr. LESINSKI. Well, what causes delinquency, my dear friend? When a child has nothing constructive to do, he starts thinking about something else—how to steal or something like that.

Mr. GREEN. I apparently misunderstood your question. I certainly agree, you need to have constructive use of your free time; that you want the types of activities to be wholesome types of activities, and this of course, is why the large variety of character serving organizations engage in group work and Boy Scout work and a variety of other community activities, and certainly, this wants to be channeled, because if a youngster does not find constructive activities, he is likely to find destructive activities.

Mr. LESINSKI. So the answer to juvenile delinquency is the fact that we all should strive to occupy our child's mind to the full extent?

Mr. GREEN. Yes. You want your youngster to be occupied and engaged in active, constructive types of endeavors, and this of course is, I am sure, what the parents are striving for and what the total community is striving for. This is the positive approach. This is for all

the children; not just for delinquent children or those in danger of becoming delinquent children.

I want my children to be occupied in constructive activities and in good leisure time activities.

Mr. LESINSKI. Well, I will give you an example.

The boys in the neighborhood back home got together, and made some motorbikes for themselves—they are under 16, and they cannot have a driver's license. My boy himself, took a frame from a bicycle and an old motor from a lawnmower of mine, and so on, and made himself a motorbike. Well, he cannot ride it because of the laws of the State of Michigan. Of course, this, to me, was very good. This was something to keep him occupied instead of going out and monkeying around, which is something which could get him into trouble.

The important thing that you should stress is occupational therapy. I mean, this is more important to me than anything else.

DAY-CARE PROGRAM

Mrs. Oettinger, will you explain to me what the purpose of the day-care program is?

Mrs. OETTINGER. The purpose of day-care is essentially for the protection and the care of the child, who must be away from its home during certain hours of the day.

Mr. LESINSKI. Why?

Mrs. OETTINGER. Largely, I think the chief reason is because the mother is working.

Mr. LESINSKI. Well, I should bring Khrushchev over here and just get it over with.

BRAIN DAMAGE IN CHILDREN

Dr. Lesser, what can you do to help, or to what extent can you assist the child with brain damage?

Dr. LESSER. Well, it varies a good deal, because brain damage itself, is such a variable. Some children may have brain damage with normal mentality but a certain stiffness of the legs, spastic paralysis of the legs, in which case, you can assist that with braces and other types of therapy such as physical therapy.

There are other children with brain damage in which part of the brain most affected has to do with intelligence, and these children are apt to be mentally retarded. This, too, varies a great deal, and our objective is, first of all, to make a diagnosis as to just what is behind the slowness of the development of this child; and, secondly, to assist that child with whatever means we have in reaching his total potential for growth. This is done in various ways, with psychologists, with teachers, with social workers, with whatever means we have to help children to realize their potentialities.

Other children with brain damage may be hard of hearing, if it affects that part of the brain which is mostly concerned with hearing. Many of these children can be helped with hearing aids and with lip-reading. It depends so much on where in the brain the damage has occurred with resultant symptoms.

Mr. LESINSKI. Is it true that a child may have a severe fall and you can do nothing for him until the cranium develops?

Dr. LESSER. A child may have what?

Mr. LESINSKI. A child may have had a severe fall, and nothing can be done for it until his cranium has been developed?

Dr. LESSER. I am sorry. Nothing can be found out until the child comes to a certain age.

Mr. LESINSKI. Well, nothing can be done for them.

Dr. LESSER. Some children who had a fall will show signs of it. I mean, they may have a blood clot under the skin, or the scalp may bleed. If they are under a year old, and the fontanelle is open there are diagnostic measures, so that you can find out whether this baby has had bleeding into the brain or underneath the cranium, in which case the blood can be aspirated, and a diagnosis can be made at an early age.

Mr. LESINSKI. In many cases, not right away.

Dr. LESSER. Many cases are not diagnosed, that is true. And in many cases, a baby falls or a toddler falls, and there are no apparent symptoms, and the mother does not take the baby to the doctor.

Mr. LESINSKI. Many children will fall and the doctor cannot do a thing to them, because of the fact there is no immediate signs of any kind. The child might outgrow a damage that might have occurred.

Dr. LESSER. Well, I misunderstood your question. Yes, this is true. There are a number of incidents where children are injured. There are no diagnostic signs, and at the time the child is slow in developing; it is difficult to attribute it to anything. If it is severe enough, there are symptoms.

CAUSES OF INFANT MORTALITY

Mr. LESINSKI. Mrs. Oettinger, what are the causes of death at birth? You mentioned premature birth. Are there any other causes?

Mrs. OETTINGER. Death at birth? Well, some children have been born in our civilized society so malnourished that it is very difficult to bring them along.

Mr. LESINSKI. In other words, the mother is alcoholic, or what?

Mrs. OETTINGER. We are finding, increasingly, that most frequent cause of death is not in the first month of life but it is going from the first month to the end of the first year of life. This is true in the District, for example. It is because many of these mothers bring their children home, ill equipped to take care of them. They may be alcoholic; it may be just lack of knowledge. They may just be so poor that they do not have any of the decencies of life; they may be so ignorant that they do not use any of them, and these children are subjected to the kind of lack of care that results in their death.

You know, when you go home from the hospital after 36 hours, nobody has had much time to teach you. If you are very young, you may not have your family living here, because of our great mobility; there is nobody at home to teach you. It ends up with many of these deaths that occur between the first month of life, and the first year, that were, really, preventable.

Dr. LESSER. May I add, prematurity is the leading cause of death, and other causes of death are congenital malformations, particularly those which are not compatible with life; and a variety of infections, influenzas, pneumonias, and things of this sort. These are the commonest causes of death. Diarrhea is no longer as common as it used to be.

Mr. LESINKI. Do you mean diarrhea from infection at the hospital?

Dr. LESSER. No. I meant summer diarrhea; that we still see among poorer people. It is no longer a leading cause of death as it used to be.

Mr. LESINSKI. What is the cause of premature births?

Dr. LESSER. I can answer this best by quoting from a professor of obstetrics at Johns Hopkins. In 60 percent of the situations where premature birth occurs, the exact cause, the specific trigger, that sets off the contraction of the uterus so that the baby is born prematurely, is not known.

In the others, it can be pretty well identified with factors such as toxemias of pregnancy, high blood pressure in the mother, kidney disease in the mother, heart disease in the mother, infections, and contracted pelvis. In other words, concomitant illnesses in the mother.

We know, generally speaking, that the poorer the care the mother has during the prenatal period, the more likely she is to have a baby born prematurely. There is no doubt that malnutrition is involved in this. Women with anemia, low hemoglobins, are much more apt to have a premature baby.

GENETIC COUNSELING

Mr. LESINSKI. That leads to my next question.

Should not there be some pretesting of those aspiring to get married and be parents, to be pretested prior to having any children? Let them know what to expect in the future?

Dr. LESSER. Premarital counseling and examinations I think, are increasing, but you know as well as I do when two young people decide to get married, they are not going to stop off at the doctor on the way for an examination, when the emotions control; but certainly, more is being done in schools to increase the understanding of girls and boys about the responsibilities of marriage, in education—family life education—but our best opportunities lie when a girl becomes pregnant, to encourage her by every means that we know, to go to her physician early and get good prenatal care.

Those women who start prenatal care early; that is, in the first 3 months of pregnancy, have very few problems connected with having their babies; whereas those who start prenatal care late, or skip it altogether, are the ones who have most problems.

Mr. LESINSKI. Well, the point I was driving at is that those aspiring to get married, if they are warned as to what to expect; I know of a case where the parents have a child—they have one beautiful child, but it was born blind and, since, have had no more children. Whether the rest of them would be blind, I do not know, but it is just self-will, but I personally believe that if there were a better pretesting as to the parents-to-be, I think it would be less of a problem, also. For instance this disease we talked about, PKU, that causes mental retardation. Could this possibly be pretested?

Dr. LESSER. You are touching on a very significant area at this time, and this is what we generally term "genetic counseling." Given a family, in which there is a child who is born either blind or retarded or who has some congenital anomaly, these parents have great anxieties, as you have pointed out before, about additional children that they may have. These parents welcome and need very much, the

expert counseling which can give them some idea of what their chances are of having another child with this kind of a malformation or another kind of a malformation.

The decision, of course, has to be left up to them in any case, but at least they do not go ahead blindly. They have some idea of what their chances are of having a normal child.

Mr. LESINSKI. Mention was made about certain drugs that can be taken so that a women does not reproduce. It seems unfortunate, though, that those who can afford it can afford to have children, and those who cannot afford it are those who cannot afford to have children.

That is what bothers me, personally.

Mr. FOGARTY. There is not a thing this Government is going to do about that.

Mr. LESINSKI. I grant you that, Mr. Chairman, but the whole thing—what we are trying to talk about here—is make sure that America is healthy. In the present program, the thing we are doing is barking up the wrong tree, in trying to correct something when there is a means of stopping it altogether before it actually happens.

No more questions. Thank you.

Mr. FOGARTY. That is what Hitler was trying to do, was he not?

Mr. LESINSKI. Yes, to an extent, but it seems to me that some preventative steps could be taken without resorting to Hitler's methods.

Mr. FOGARTY. Mr. Denton?

SUMMARY OF 1964 BUDGET REQUEST

Mr. DENTON. I have just a few questions here.

You asked for seven new positions?

Mrs. OETTINGER. That is correct.

Mr. DENTON. And five are research in child life and service for children; and you have a total increase of \$418,000 in your budget for salaries and expenses.

Mrs. OETTINGER. Yes.

Mr. DENTON. For grants you had \$75,795,000 last year, and there is a supplemental request of \$3,650,000 which makes a total of \$79,445,000 for 1963 and you have a requested increase of \$7,555,000 for 1964.

That is made up in "Child welfare service," \$5 million; and \$2,555,000 in "Research and training grants." Are you doing that yourself or is that grants to the schools?

Mrs. OETTINGER. That is direct grants to the institutions of higher learning.

GRANT APPROVAL PROCEDURES

Mr. DENTON. And do you have a board that passes on the applications?

Mrs. OETTINGER. That is true. We have a committee, a group of consultants, who look at those applications which the staff have screened as suitable in the field of child welfare. They then send these applications to people on what is known as our panel; they are all experts in the field and we send the application that is most suitable for the individual to review, so two or three individuals review this by mail, and then the principal investigator is one of the members who

is on the advisory committee, and this man's primary job is to bring together all the information that he can, and then he reports on it at the advisory committee meeting. Then they carefully as a group, scrutinize this in the light of all the findings and criticisms that have been made, and make recommendations to me as Chief of the Bureau and I ultimately determine, in light of the amount of money we have, those things which have the highest priority as child welfare study that needs doing at this particular time in history.

Mr. DENTON. Now, I take it that this is done in universities?

Mrs. OETTINGER. This is in similar situations. This could be in universities or it could be in voluntary or public organizations, for the grants for research or demonstration. For the training grants, it is only the institutions of higher learning.

UNFUNDED APPLICATIONS

Mr. DENTON. How many applications do you have that you do not have money to fund? How many approved applications do you have that you do not have money to fund?

Miss ARNOLD. None.

Mrs. OETTINGER. We have been very close to the line.

Mr. WYNKOOP. We do not approve them, Mr. Denton, unless we have the money. To date we have received 149 applications and have approved 41. The others have been disapproved for a variety of reasons, including lack of funds but we don't have a breakdown by reason.

DEMONSTRATION PROJECTS

Mr. DENTON. Just what do you do with demonstration projects?

Mrs. OETTINGER. Well, demonstration projects are, for example, we have a situation that came to us from the District. The demonstration is to be a demonstration of the cooperation between the educational services and the health services and the welfare services, in relation to unmarried—

Mr. DENTON. Just what do you do in a demonstration project? Do you have someone go out and talk?

Mrs. OETTINGER. No, indeed. We set up very carefully the circumstances under which this can be carried out.

For example, in this case, the vocational and educational training of unmarried mothers. That is the purpose of this. What they do is to get together all these agencies, so that the mother can get the best possible care and her baby can get the best possible care and arrangements, according to her individual needs.

Now, having spent a year or so, testing how this works out in a community and in the situation, very carefully described in the application, we then simultaneously evaluate how it is working out, so the test for the situation is how many girls went on to school, and we have been able to measure how much progress has been made at the end of the time that that experiment runs. Now, that study might run 3 years.

Mr. DENTON. That is more gathering statistics than demonstration, is it not?

Mr. WYNKOOP. Mr. Denton, the demonstration projects are largely used to test the results of your research findings, where you take your

research findings and you put them into a community and actually test how they would work in actual practice.

Mr. DENTON. All right. I think I see what you mean.

You do not have people going around, putting on an exhibit of any kind?

Mrs. OETTINGER. Oh, by no means. It is showing the community how it can be done and proving it to themselves, that it can be done.

Mr. DENTON. You take your research; and then you go out and try it out in the field and see how it works out, on an experimental project, is that it?

Mrs. OETTINGER. I will give you an example of what Mr. Wynkoop was just talking about.

For example, the research was done on how much it cost to keep youngsters in an institution and how you should keep the records, so you can really tell how much it cost, because there are many variables in that; then we took this research and tested it in various spots around the country, to see if it was equally valid in Illinois, New York, Florida, as it was in California, where the original study was made. So that this was a test situation of something that had already been demonstrated.

Is that what you meant, Mr. Wynkoop?

Mr. WYNKOOP. Partially. Yes.

Mr. DENTON. The word "demonstration" is misleading to me, and I have seen it all through these records.

What I get is, you are trying out the results of your research, to see how they work?

Mr. WYNKOOP. Yes, sir, under actual conditions.

DAY CARE CENTERS

Mr. DENTON. Now, this Child Welfare Service has increased \$5 million. Why is that?

Mrs. OETTINGER. For day care. That \$5 million will be assigned to day care because in the 1962 amendments it was part of the law that of the first \$5 million—in fact, of the first \$10 million beyond the initial \$25 million—would be used by the States for day care.

Mr. DENTON. Do you mean you would have to set up centers where they take care of children?

Mrs. OETTINGER. That is right.

Mr. WYNKOOP. We would grant the money to the States, sir.

Mr. DENTON. We have had difficulty, as you probably know, with aid to dependent children. One of the articles I read, pointed out it would not do much good to help out the mother, unless she had somebody to take care of the children, while she works. The program so far has not been too satisfactory. I am sure you know what is going on along that line, to provide care for mothers so they can be rehabilitated.

Mrs. OETTINGER. We are certainly advocating that the States take advantage of this money for day care of children, when it is the best interest of the child and the mother and the family for that parent to be able to work.

Mr. WYNKOOP. Mr. Denton, this is a new authorization that was just passed in the last session of Congress. Up to this point, we have had no money for day care centers.

STATE AGENCIES HANDLING GRANT PROGRAM

Mr. DENTON. Now, with whom do you work in the States? Welfare?

Mrs. OETTINGER. With the child welfare services, because this day care is part of child welfare service, so we work with the public welfare director and then with the child welfare director.

Mr. DENTON. Do you insist that they be separated from welfare generally or are they coordinated together in one agency?

Mrs. OETTINGER. Well, they are the public welfare agency, but close coordination exists between aid to families with dependent children and child welfare. As Dr. Winston said in her opening statement, this has increased in these last years.

Mr. DENTON. What I want to know is, do you work with them or do you work separately?

Mrs. OETTINGER. We work together, in the sense that we communicate.

Mr. DENTON. Do you have a separate agency or do you work out of their agency?

Mrs. OETTINGER. No; we have separate agencies, which communicate closely with each other in coordinated efforts.

FORMULA FOR GRANTS TO STATES

Mr. DENTON. How do you determine how much money goes to each State?

Mrs. OETTINGER. By a formula.

Mr. DENTON. Would you put that formula in the record?

Mr. WYNKOOP. Yes, sir.

(The information follows:)

The formula for allotment of Federal child welfare services funds to the States is as follows:

Each State first receives a uniform grant of \$70,000. The remainder of the funds available are allotted in direct proportion to the child population under age 21 and in inverse proportion to the per capita income of the State.

Funds for day-care services also are allotted in direct proportion to the child population under age 21 and in inverse proportion to the per capita income, except that the minimum grants to any State cannot be less than \$10,000.

STATE MATCHING

Mr. DENTON. Do the States have to match these funds?

Mrs. OETTINGER. Yes.

Mr. DENTON. What percentage do they have to match?

Mrs. OETTINGER. Fifty.

Mr. FORTNEY. It varies from State to State, also, depending on the formula. It is a variable grant.

Mr. KELLY. It is prescribed by law. When we put the formula in, we will show you that.

Mrs. OETTINGER. It has to do with the inverse proportion between the per capita income and the child population.

Mr. DENTON. That is all.

Mr. LESINSKI. Mr. Chairman, one further question.

Mr. FOGARTY. Yes, sir.

FORMULA FOR GRANTS TO STATES

Mr. LESINSKI. Mrs. Oettinger, in your payments to States, you have table 3-A, 156, "Grants for maternal and child health services," \$264,504 for the District of Columbia and I notice that you have 19 States and territories that receive less.

Page 158, you have "Special projects for mentally retarded children for the District of Columbia," \$77,435, more than any State gets.

Page 159, "Grants for services for crippled children, District of Columbia," \$276,736 and it is more than 20 other States and territories get, and so on.

That goes also for Grants for Child Welfare Services and then under 163, for "Day care centers," District of Columbia, \$10,000 which is in line with Alaska, Delaware, Guam, and Nevada.

What is the cause of the differences in these figures, that the District of Columbia has such a large amount under some programs, but when it comes to grants for day care centers, it is down at the bottom?

Mrs. OETTINGER. For day care services, the minimum that we give is \$10,000. That is what the District of Columbia gets—just the minimal amount, for day care, and that is on page 163.

That represents the minimal amount.

Mr. LESINSKI. Well, the question I am driving at, how can the District of Columbia get so much more money, compared with the States and territories, under some programs, and be at the bottom on this one?

Dr. LESSER. That is because this table on page 163, is for day care, with an appropriation of—how much?

Mrs. OETTINGER. \$3 million.

Dr. LESSER. Whereas, in the other, perhaps they are \$25 million.

Mr. LESINSKI. Even so, why, for instance, grants for maternal and child health services, the District of Columbia gets more than many States?

Dr. LESSER. The District of Columbia receives \$264,504. This is derived from the appropriation of \$25 million, which is distributed from the States, on the basis of number of live births, and taking into account per capita income.

Mr. LESINSKI. Delaware only gets \$128,622.

Dr. LESSER. Yes, because they have a smaller population.

Mr. LESINSKI. Less than the District of Columbia has?

Dr. LESSER. Well, they must, and they have a high per capita income as well but Delaware is a small State. The District of Columbia has a population of about 900,000.

Mr. LESINSKI. How about Montana? Nebraska? Nevada? New Hampshire? They get about half, almost.

Mr. KELLY. Let us put an analysis for you in the record, that answers that, and shows how we apply the formula to the District of Columbia and compare it with those several States that you have identified. It is a formula prescribed by law.

(The information follows:)

FORMULA FOR THE APPORTIONMENT OF GRANTS TO STATES FOR MATERNAL AND CHILD HEALTH SERVICES, SERVICES FOR CRIPPLED CHILDREN, AND CHILD WELFARE SERVICES

Maternal and child health services.—Under section 502(a) of the Social Security Act each State receives a uniform grant of \$70,000 and an additional grant in proportion to the number of live births in the State (fund A). Under section 502(b) \$1 million is to be used only for special projects for mentally retarded children, and \$2,875,000 or 25 percent of the remaining \$11,500,000 is reserved for other special projects (fund B). The remainder, \$8,625,000, is apportioned so that each State receives an amount which varies directly with the number of urban and rural live births in the State and inversely with State per capita income. No State receives less than \$35,000. Live births in rural areas are given twice the weight of those in urban areas.

Services for crippled children.—Under section 512(a) of the Social Security Act each State receives a uniform grant of \$70,000 and an additional grant in proportion to the number of children under 21 years in the State (fund A). Under section 512(b) \$3,125,000 or 25 percent is reserved for special projects (fund B). The remainder, \$9,375,000, is apportioned so that each State receives an amount which varies directly with the number of children under 21 years in urban and rural areas in the State and varies inversely with State per capita income. No State receives less than \$35,000. Children in rural areas are given twice the weight of those in urban areas.

Child welfare services.—For child welfare services exclusive of day care, each State receives a uniform grant of \$70,000 and an additional grant which varies directly with child population under 21 and inversely with average per capita income. Each State's allotment of funds earmarked for day care services varies directly with child population under 21 and inversely with per capita income, except that there must be a minimum State allotment of \$10,000.

Mr. WYNKOOP. We have no discretion in this.

Mr. LESINSKI. That goes for all programs then? For grants and maternal and child health services, and so on?

Dr. LESSER. Yes, sir.

Mr. WYNKOOP. That is correct.

Mr. LESINSKI. Thank you.

STATE ACCOUNTABILITY FOR GRANT FUNDS

Mr. DENTON. Let me just ask one question.

I imagine every State had to submit a plan that you approve before you give them a grant?

Mrs. OETTINGER. Yes.

Mr. DENTON. How do you check that program to see that the money is being used for the purpose for which it was authorized to be used?

Mrs. OETTINGER. Well, we have consultants in the regional offices who visit the States and see that there is a consistency between what they said they were going to do and what they do do. We also have administrative methods consultants who watch carefully these fiscal expenditures.

Mr. DENTON. That is all.

Mr. FOGARTY. Is there anything else you would like to say, Mrs. Oettinger, before you leave.

PUBLICATIONS PROGRAM

Mrs. OETTINGER. Well, I do know that we did not mention that we do hope that the request that is part of "Salaries and expenses" request for \$50,000 to distribute to the Congressmen, "Your Child From One to Six," will be given favorable attention.

Mr. FOGARTY. I think it is an excellent publication, and certainly Infant Care is praised by everyone.

Mrs. OETTINGER. That is the 45 millionth copy of "Infant Care" right now.

Mr. DENTON. How many of these are you going to make available to us?

Mrs. OETTINGER. We hope to make them available on the same basis as the "Infant Care."

Mr. FOGARTY. It is very popular.

Mr. DENTON. I think we do have a very good service in distributing that. We get them out where nobody else would.

Mrs. OETTINGER. "Your Child From One to Six" has been already on the best-seller list of the Government; 640,000 of them have already reached the consumer. This edition is only 11 months' old.

Mr. FOGARTY. I think you do a very good job with your publications.

Is there anything else you want to say about them?

Mrs. OETTINGER. Thank you. I think you have been very generous to us.

Mr. FOGARTY. Thank you very much.

We will convene at 1:30, and we will take up juvenile delinquency at that time.

TUESDAY, MARCH 19, 1963.

JUVENILE DELINQUENCY AND YOUTH OFFENSES

WITNESSES

BERNARD RUSSELL, DIRECTOR, JUVENILE DELINQUENCY AND YOUTH DEVELOPMENT

DR. ELLEN WINSTON, COMMISSIONER OF WELFARE

ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	32	80	98
Positions other than permanent.....	29	50	50
Other personnel compensation.....	10		1
Total personnel compensation.....	72	131	149
12 Personnel benefits.....	3	6	8
21 Travel and transportation of persons.....	45	166	271
23 Rent, communications, and utilities.....	3	4	4
24 Printing and reproduction.....	10	20	20
25 Other services.....	3	2	2
Services of other agencies.....	248	479	495
26 Supplies and materials.....	3	1	1
31 Equipment.....	7	1	
41 Grants, subsidies, and contributions.....	5,972	5,000	12,250
Total obligations.....	6,366	5,810	13,200

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	9	10	11
Full-time equivalent of other positions.....	6	6	6
Average number of all employees.....	7	15	16
Number of employees at end of year.....	27	20	21
Average GS grade.....	9.3	10.0	10.4
Average GS salary.....	\$8,208	\$8,852	\$9,341

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Grants and contracts for demonstration and evaluation projects.....	946	3,000	4,000
2. Grants and contracts for training personnel.....	163	2,000	2,000
3. Technical assistance services and administration.....	276	810	950
4. Future year costs.....	4,980	-----	6,250
Total program costs, funded—obligations.....	6,366	5,810	13,200
Financing: Unobligated balance lapsing.....	1,834	-----	-----
New obligational authority (appropriation).....	8,200	5,810	13,200

GENERAL STATEMENT

Mr. FOGARTY. The committee will come to order.

We will take up the request for juvenile delinquency and youth offenses. Mr. Russell, are you going to justify this appropriation?

Mr. RUSSELL. Yes, sir.

Mr. FOGARTY. Go right ahead.

Mr. RUSSELL. I have a statement which has been submitted for the record and I also have a summary that I would like to read.

(The statement follows:)

Our experience over the past year and a half in administering the anti-delinquency program authorized under Public Law 87-274 has confirmed our view that the rising tide of delinquency in our country cannot be understood in isolation from other youth problems. The annual statistics on delinquency—arrest, detention, and adjudication—testify dramatically to the seriousness of the problem. But this serves to portray only a small part of the true dimensions of the total problem.

To develop effective delinquency preventive programs, we must also examine the problems of young people who have not yet become involved in difficulties with the law. In short, the size of the preventive task must be measured not only by the number of delinquents but by the number of deprived and alienated young people who have been denied adequate opportunities to learn, to work, and to grow into responsible citizens. The correlation of delinquent behavior with economic, educational, and other forms of social deficiencies and deprivation clearly points up the need for programs and services corrective thereof. And there is an abundance of factual evidence to delineate sharply that the problematic situation for youth in the years ahead poses a profoundly serious threat to every community in the country. Unless we are prepared to intervene intelligently, swiftly, and vigorously, this problem will assume uncontrollable proportions.

Most disturbing, perhaps, are those economic and social trends in our society which make it universally difficult for young people, especially youth from slum areas, to achieve their goals of success. These trends—in the areas of employment, education, and population distribution—are exerting their heaviest pressures against young people at the bottom of the social and economic ladder.

All of you, I am sure, are well aware of some of the general facts that reflect the above trends and their portent for your youth.

Our increasingly rapid technological development which on the one hand enhances labor productivity, at the same time, under present conditions of economic growth, results in a high and gradually rising level of unemployment. This situation is serious today. In addition, there are changes underway that are bound to cause even more unemployment. With the coming to age of the large numbers of children born in the postwar period, the labor force will be growing much more rapidly in the decade ahead than in the last one. The changing character of our technological progress—commonly termed “automation”—is accelerating and is now more and more resulting in a displacement of labor. A larger output of material products can be produced with an even smaller work force; and the use of computing machines will also be releasing white collar workers and people on the lower managerial level.

The consequence of automation is not to release labor in a uniform way but to direct labor demand more and more toward the highly skilled and highly educated. (Of the 13 million additional jobs anticipated by 1970, about 12 million will require special education and skill.) And the incidence of unemployment tends increasingly to fall more heavily upon those who have lesser skill and education.

Over the next 10 years, an estimated 7,500,000 youths will drop out of school before completing their high school education. The vast majority of those dropping out will come from the low-income segments of our population. These are the youth for whom inadequate educational preparation is rapidly becoming tantamount to unemployability.

Coupled with poor housing conditions, inadequate health services, and restrictions on opportunities for youth of certain ethnic and racial minority groups, the above conditions make for the creation of an increasingly large, alienated, non-productive group in our youth population, which in turn swells the ranks of delinquency, especially in our large urban centers.

These are the dimensions of the problem which must be confronted and coped with in order to effectively prevent delinquency. Toward this end we have directed our efforts in support of the planning and development or comprehensive, coordinated community attacks on delinquency. That is, emphasis has been placed upon the necessity of mobilizing all the resources of the community to provide all of the youth with the opportunities to develop into productive, self-sufficient citizens.

It goes without saying that in order to deal effectively with delinquent and delinquency-vulnerable youth, we must address their problems in the environment in which they live. The families in which they are reared, the neighborhoods that shelter them, the schools that educate them, the businesses and industries which employ them, the labor unions which provide entry to the world of work, as well as the whole complex of social agencies and community organizations designed to help those that falter; together these community institutions constitute the reality of life for these youth. These are the institutions upon which we must rely in our efforts. It is our conviction that the capacity of these institutions to meet the needs of youth can best be developed and improved at the local community level:

Communities must find new ways to enlarge opportunities for our disadvantaged youth, particularly in our large urban centers.

Communities need to develop programs that will change the odds against these young people. This means working out new types of programs in the areas of school, work, recreation, and family and child welfare, as well as correctional, rehabilitative services, and integrating these programs much more closely.

Our program has been oriented toward helping communities maximize their capacities to develop opportunities for their youth.

Three aspects of the Federal program can be identified around which communities have been urged to focus their attention in the design and development of their approach to delinquency prevention: planning, programing and training. There must be broad community planning that looks to the total problem. The development of a comprehensive action program must be based upon that planning. And better trained workers must be supplied to do the job.

Great stress has been placed on planning for action programs. In planning for programs, four basic factors have been designated for consideration, which have been overlooked too often in the past.

First, in our planning we must take into consideration that our problems are caused not by one or two factors, but by a whole variety of factors.

Too often in the past we have designed programs that have dealt with only part of the problem. Now we must build comprehensive programs that deal with the total problem—school dropouts, unemployment, health and recreational facilities, discrimination, the family, etc., as well as delinquent acts.

Second, our planning efforts must be undertaken by and involve the whole community. We must have the active involvement of local political leadership, public and private agencies, business and labor, the courts and the police, the churches, civic groups, and all the persons who are concerned with the problems of youth.

Third, our planning must utilize the knowledge that is available to social and behavioral scientists in our colleges and universities. The best programs will be those that are developed by the combined skill of action people working side by side with the research and academic talents available in our colleges and universities.

And fourth, we must make plans to carefully evaluate our action programs. We must develop techniques of evaluation, so we will know what programs succeeded and what programs failed.

The mobilization of a total community on behalf of its youth is no small task. It is not easy to involve the divergent centers of power and decisionmaking in a community, to overcome suspicion, rivalry, apathy, divergent philosophies and approaches, to bring together all the necessary groups. Everyone agrees it is a fine idea, but many suspect that it can't be done. The juvenile delinquency and youth development program has supported the development of demonstration, training, and action projects in a number of communities across the Nation that will mobilize the efforts of these communities to make a fuller life available to our youth. These projects are not concentrated on one particular aspect of the myriad of problems and pressures faced by our youth. They seek to integrate the resources of family and community with the world of education and the world of work. In short, they seek to make the local community responsible for providing maximum opportunity to our youth to grow, to mature, to be prepared to work and secure employment, and to be responsible to the community and to the Nation.

We believe that this program has assumed a proper role for the Federal Government in helping to develop opportunities for youth. It has provided the "seed money" for starting projects which is matched in varying degrees by local communities. Federal staff has provided technical assistance to help communities organize and plan the development of their programs. It has helped to establish criteria and evaluate tools to measure the effectiveness of these new efforts. It has helped to establish a variety of training programs to increase the number and the skills of personnel who work with youth.

Throughout, we have recognized that the basic work must be done at the local community level and we encourage these local communities to move with greater energy and speed toward fulfilling our responsibilities to our youth.

1. PLANNING-DEMONSTRATION PROGRAM

During fiscal 1962 and 1963, \$6,747,586 of the funds appropriated by Congress for the administration of Public Law 87-274 have been used to launch a series of comprehensive planning phases of demonstration projects, and one large-scale action project. Sixteen American communities, both large and small are involved. Two more large scale action projects will be initiated this year with those funds. Of that total \$3 million will be spent this year.

We already have dramatic examples of the effects of these efforts to deal with the problems of youth who are delinquent or whose opportunities to take advantage of this country's goods and services have been seriously restricted.

In New York City, the first demonstration action project to receive support under the Juvenile Delinquency and Youth Offenses Control Act of 1961, called Mobilization for Youth, got underway after a systematic and extensive period of planning. Of the more than 40 new programs and service enterprises conducted under its auspices, a few examples may be cited:

In the world of work, there is a youth jobs center serving as a central employment agency, and a subsidized urban youth service corps offering job training to several hundred young people. In the 3 months since the work program opened, over 800 young people have applied for jobs.

In the world of education, there is teacher training for work in slum areas, laboratory schools, reading clinics, parent education programs, a preschool enrichment program, and a homework helper program in which outstanding high school students are paid to tutor failing elementary school students.

In recreation there are coffee houses as social centers for youth, and an adventure corps offering trips and athletics for boys aged 9 to 13.

In the area of community service, there will be support for existing neighborhood groups and encouragement of new organizations. There are several neighborhood service centers offering 7-day-a-week help to people with medical, legal, or personal problems.

There are all these programs and more, each designed to operate as a part of a whole, toward the goal of expanded opportunities for the youth of the lower East Side. The program's \$12 million, 3-year budget was met with funds from the Delinquency Act (Public Law 87-274), the city of New York, the Ford Foundation, and the National Institute of Mental Health. (Approximately \$700,000 a year for each of 3 years has been allocated under Public Law 87-274.)

We believe the story of mobilization, following so many years of dedicated effort, is a highly exciting one. But there are other stories, equally important, being written today in many other communities that are planning and developing projects with the help of our program.

New Haven, Conn., has in progress a vast urban renewal program. The mayor was aware that they should not reconstruct a city physically without equal attention to its human problems. He brought together business leaders, public and private agencies, labor, church groups, and Yale University, and they began to think and plan. They focused on the social restoration of high-problem neighborhoods, aiming at new opportunities in education, employment, housing, and every aspect of family life.

In one part of their program, there is taking place a rebirth of the neighborhood school as a dynamic force in community life, committed to a new role in meeting social problems. The school system sees itself as more than a caretaker of children from 9 a.m. to 3 p.m. They are physically rebuilding their school system, building a dozen new schools designed for an expanded role in community affairs.

The development of these new school programs will be a central part of the overall planning project, and it will mean New Haven's final program will differ from that in New York or other cities. But we believe this new concept of the schools' role in community life has tremendous implications, and we are extremely pleased that it is being tested as a part of this overall project.

Another major effort is now underway in Boston. Boston also has in process a massive urban renewal program, and it, too, became concerned with the need for social renewal, with delinquency as a main concern. At least three important agencies felt that any new youth program should be administered by their particular agency. After months of delicate negotiation, it was agreed that the delinquency program would be administered by a broadly representative new group called action for Boston community development, or ABCD. Once that was agreed, the community closed ranks and social agencies, the school system, the employment service, State and city government loaned staff to ABCD. Experts from Harvard, Brandeis, and Boston Universities have formed a research committee. Public and parochial schools, public and private agency leaders, religious organizations, and minority leaders formed a program committee. They have set as their program target the highly vulnerable 13- to 18-year-old age group—the problems of this group both in and out of school. Boston is moving, not in the same groove as New Haven or the mobilization project in New York, but in a process that unites community efforts toward meeting the real problems of their community.

The same process, this mobilization of community resources, is going on today in a dozen other communities we are working with. Representative community leadership groups are being formed to carry out new efforts. Professional staffs, responsible to these groups, are studying the community's real problems, and planning comprehensive youth service programs to cope with them.

Grants for a planning phase under the Delinquency Act have gone to large cities, such as Cleveland, Philadelphia, Chicago, and Detroit, and to smaller communities such as Charleston, W. Va., and Lane County, Oreg., which, although they do not have street gangs and drug addiction, have their own problems based upon declining industries, farm mechanization, and the flight to the big cities.

In Los Angeles a grant went to the Youth Opportunities Board of Greater Los Angeles, a new nonprofit corporation formed under a joint powers agreement by the city government, the county government, the city and county school boards, and the California State Employment Service. We have great expectations of the potential of this unique structure which unites great resources to act against youth problems.

In the remaining years of the Delinquency Control Act, it is expected that at least 6 to 8 of the 15 communities mentioned above currently involved in the planning process will move into action programs of the same scope as that of New York City's mobilization for youth. To support these projects \$10,250,000 will have to be allocated from our program.

In addition, our staff has been consulting with at least 25 more cities and communities that have been seeking Federal funds for the purpose of planning comprehensive, coordinated programs of delinquency prevention along the lines indicated above. Although these "nongrant cities" have been informed that our funds are limited, and that the possibility of our providing direct financial support is not likely at this time, each of the communities has been stimulated by our planning-demonstration concept—so much so that they have requested continuous technical assistance from our staff in the development of their own plans, while they search for funds from other private and public sources.

DEMONSTRATION TRAINING PROGRAMS

Closely connected to the community planning and "action" efforts are the training programs which we are supporting. Obviously, without well-trained leadership, such complex planning and program demonstrations cannot succeed. In every area of youth work, we encounter desperate shortages of trained workers. Our program is seeking to help fill this great need to improve both the quality and quantity of training, to build new knowledge, and to organize and communicate more effectively the knowledge that is currently available.

To stimulate work in the area of training, three types of new developments have been undertaken by our program. In order to maximize the benefits of the various training efforts being supported by the Juvenile Delinquency Act of 1961, each of the programs indicated below is actively related to the others and to the planning demonstration programs of communities mentioned above.

1. Training center grants

Grants totaling \$902,114 for a 3-year period were allocated to six training centers established in 1962, at as many accredited universities and colleges around the country to serve as models for a new approach to interdisciplinary training. These centers are:

Southern Illinois University, University of Utah, University of North Carolina, University of Washington, Wayne State University, and Western Reserve University.

Two more centers at the University of Denver, and the University of Texas were established in 1963, at a total cost of \$100,000 for 1 year.

These centers are being designed to mobilize and foster training competence in youth services on a long-range basis. In each case the grantee has committed itself to continue and expand its training facilities far beyond the Federal grant period.

Although each of the centers will differ somewhat from the others in terms of emphasis on certain types of trainees, all will offer instruction to a wide variety of personnel groups, such as police, social workers, teachers, juvenile court judges, youth employment workers, etc. They will emphasize the training of persons who may function in turn as training staff in their own communities. Their curriculum and courses of instruction will offer an interdisciplinary orientation to youth problems, together with specific training in specialized areas of practice.

In addition, these centers are rapidly organizing themselves to become focal points for the collection and dissemination of new information on the extent of delinquency and related youth problems and appropriate methods of coping with them. For example, related research projects are being developed at these centers to feed new knowledge into the training experience and to develop measures and methods for evaluating the effectiveness of training.

Not only is it the aim of these centers to develop training for personnel in different areas of practice, but also to engage trainees from every level—from frontline workers to administrators and community leaders.

Western Reserve University, e.g., has chosen for its major target what it calls the decision-makers of the region—mayors, judges, public agency heads, board members of private agencies, and others who are responsible for making far-reaching decisions affecting youth. It is the view of Western Reserve's staff that most effort tends to be directed toward training frontline workers and too little toward those on the managerial levels; and reaching one superintendent of schools may do more good than training a hundred teachers.

2. Curriculum development grants

As great as the need for new training facilities is the need for new training curriculums to communicate the growing body of knowledge on youth problems. New theoretical and research findings in the behavioral sciences must constantly be applied to improve practical programs of youth service. New insights must be woven into the established body of training material. It is not enough to increase the amount of training now available in the field. The general quality and relevance of the training experience must be greatly enriched. Simply stated, you cannot teach new ideas with old texts. Nor can you always teach diverse groups with the same, standardized texts. A grant program to develop new course material is then an essential part of a broad approach to training needs.

To date, 14 such curriculum development grants have been made to top ranking scholars, scientists, and experts in various disciplines and professions at the major universities and organizations around the country. These curriculum development projects are being undertaken by Hunter College, New York University, Washington State University, Harvard University, University of Michigan, University of California Law Center, International Association of Police, Citizens Committee for Children, University of Chicago, Associated Community Teams, Inc., Philadelphia Psychiatric Center, and Brigham Young University. Eleven grants for a total of \$919,110 were made in 1962. Three grants for a total of \$319,113 have been made to date in 1963. In each case, the grantee has assumed responsibility for developing general and specific knowledge about youth problems and the translation of that knowledge into training materials directly relevant to personnel in the various areas of practice.

One of the most interesting of these projects, for example, is being carried out by Hunter College, a school which graduates some 800 young teachers annually who will teach in the New York schools. In this project, Hunter College staff is developing new training materials to prepare future teachers for assignment in sum area schools.

The fruits of this project, as with all other curriculum development projects, will not be confined to the benefit of teachers in the locale of the project. In each case, the results of the project are to be communicated systematically to the various training centers for adaptation and use in their programs. In turn, the training centers are expected to disseminate widely the results of their own experiences through workshops, institutes, and published materials.

3. Short-term traineeship

An extended program of short-term institutes, workshops, and seminars is a third major concern in the area of training. Many professional and volunteer youth workers are unfamiliar with existing material which would enhance understanding of youth problems and appropriate methods for handling them. A grant program encouraging short-term traineeships for various categories of personnel actively involved in youth services affords a way of communicating this established knowledge to the frontline workers.

To date 10 grants in this category, totaling \$384,148 have been made to colleges and public and private agencies to conduct short-term training institutes and conferences for the various types of youth serving personnel (\$84,148 of this total, has been granted so far in 1963). These are: Hunter College, School of Social Work, St. Louis University, National Council on Crime and Delinquency, Civic Center Clinic, Brooklyn Probation Department, Washington State Department of Institutions, National Federation of Settlements, Hawthorne Cedar Knolls, Ohio Legal Institute, and Youth Research, Inc.

All of the training programs being supported under the Juvenile Delinquency Act of 1961 are, in short, designed to make maximum use of this Nation's university and youth-serving agency resources—to stimulate the training of workers, to organize existing knowledge, to discover gaps in knowledge, and to communicate knowledge more effectively to the youth workers who will put it into use.

In the remaining years of our program, based on our experience thus far, it will be necessary to establish at least four more training centers to provide a more adequate sample of the capabilities such facilities can muster, and to extend more broadly the services of such facilities. Certain gaps in our knowledge for the training of specific categories of youth serving personnel are quickly being identified and the need for a considerable number of additional curriculum development efforts is being called for, especially on the part of law enforcement agencies, employment agencies, educational vocational guidance agencies, and juvenile court judges. It is estimated that at least three or four times as many curriculum development projects will need to be funded over the next 3 years to round out our program.

Similarly, a vastly increasing number of requests for short-term traineeship grants confronts our program as the training centers and curriculum development projects move into high gear. The need to incorporate and test out the utility and effectiveness of training programs and curriculum materials generated by these grants on the part of various groups and agencies not only being served thereby will accumulate at an accelerating rate. Our staff is already confronted with an overwhelming task of responding to numerous requests for information and consultation regarding many of the training grants we have awarded. Scores of applications for training grants in this category far exceed our financial ability to award support to more than a few of those that merit support. At the very least, it is estimated that we fund 60 to 70 additional short-term traineeship requests over the next 3 years.

Our technical assistance services have been geared to helping communities and institutions to design and carry out these programs. To this end, we have supplied intensive individual consultation to all our grant recipients, as well as numerous communities that have not received grants. In addition, we have held a series of workshops in which these ideas have been discussed, criticized, and disseminated. Thus, the work that is being done is being utilized by a wide variety of agencies, educational institutions, and communities.

Considering the number and complexity of problems contributing to juvenile delinquency, it is our considered judgment that the request of \$13,200,000 is the minimum amount required to continue our current rate of progress in this program. We will be glad to answer any questions you may have.

Mr. RUSSELL. Our experience over the past year and a half in administering the antidelinquency program authorized under Public Law 87-274, has confirmed our view that the rising tide of delinquency in our country cannot be understood in isolation from other youth problems. Juvenile delinquency statistics have continued to rise but the size of the preventive task cannot be measured by adjudicated delinquents alone. We must take into consideration the growing numbers of alienated young people.

FACTORS AFFECTING PROGRAM

There are a number of trends converging in society today which complicates our task considerably. These trends are as follows:

1. The sharp rise in birth rate after World War II is now resulting in large numbers of children reaching adolescence and the age of vulnerability to juvenile delinquency.

2. Changing technological developments require more and more skilled technical people and less and less unskilled labor.

3. Increasing numbers of children are dropping out of school without completing high school education.

4. Increasing numbers of people are moving to our urban centers.

This combination of circumstances is producing large numbers of youth who are unable to make their way in the modern world.

The problem of juvenile delinquency arises from a large number of related social, emotional, economic, and political problems in our communities. We must mobilize all of our community resources to effec-

tively deal with these problems. Therefore, our efforts in the prevention and control of juvenile delinquency have been centered around three aspects: planning, program, and training.

CRITERIA FOR PROJECTS

Criteria have been established for comprehensive, coordinated projects which will cover the wide variety of problems, coordinate the efforts of a large number of relevant organizations, utilize knowledge of the social and behavioral sciences, and include a research evaluation component that will allow us to measure the success or failure of these programs.

We have provided "seed money" matched in varying degrees by local communities and supplemented by other Federal granting programs and private foundations. Criteria have been established for mounting these projects and we have provided technical assistance and evaluative tools to measure effectiveness. In addition, a variety of training efforts have been mounted to increase the number and skills of personnel working with youth.

To date, we have funded one major action program and 16 programs which are still in the planning phase. It is anticipated that two more of the programs in the planning phase will move on to the action phase in 1963 and that four to six more will move into the action phase in 1964.

In the training program, we have established 8 training centers, 14 curriculum development projects, and funded 10 short-term institutes and workshops.

Our technical assistance services have been geared to helping communities and institutions design and carry out these programs. To this end, intensive individual consultation has been supplied to all grant recipients as well as numerous communities that have not received grants. In addition, series of workshops have been held in which these ideas have been discussed, criticized, and disseminated. Thus, the work that is being done is being utilized by a wide variety of agencies, educational institutions, and communities.

Considering the number and complexity of problems contributing to juvenile delinquency, it is our considered judgment that the request of \$13,200,000 is the minimum amount required to continue our current rate of progress in this program. We will be glad to answer any questions you may have.

BASIC INTENT OF PROGRAM

Mr. FOGARTY. Before I ask any specific questions, I have a basic question of a general nature: 1964 is the last year of this program under the legislative authorization. I have heard the complaint that by the end of the program, the way you are operating, all of the money will have been given out for just planning, and it was the intent of this legislation that at the end of 3 years you would not only have comprehensive plans, but action programs in being. How do you answer that?

Mr. RUSSELL. Perhaps I should start with our view of juvenile delinquency.

Mr. FOGARTY. Why don't you talk about the law. Is there anything in the law that says at the end of 3 years you will have these action programs?

Mr. RUSSELL. The law does not specify that.

PROVISIONS OF AUTHORIZING LEGISLATION

Mr. FOGARTY. Just briefly tell us what the law provides.

Mr. RUSSELL. The law provides grants for demonstration projects for 3 years and for training programs for 3 years at a maximum authorization of \$10 million a year. I think we can say that at the end of the 3-year period we will, in fact, be able to show how you approach such a complex problem, what kind of programs and what kind of organizations are effective in dealing with this very complex problem of juvenile delinquency.

It is our judgment, bolstered by a number of nongovernmental experts whom we have brought in for advice, that the problem cannot be restricted merely to the adjudicated juvenile delinquent or to the act which he commits.

In order to mount a proper program you have to bring to bear a number of individuals in the communities who are dealing with some relevant aspect of that problem. If a boy commits an act that is illegal, if we determine that part of the reason for that act is the fact, first of all, that he could not adjust to his school curriculum, that he could not get a job even if jobs were available—he did not have the training to get that job—he did not have enough to eat, or was not getting proper supervision from his parents; these all require actions in order to solve those problems—it requires the cooperation of a number of different agencies in a given community.

It is our hope in this program to enable communities to mobilize all these relevant agencies and organizations so that they can attack the whole problem. It is very easy to mount a small program which would deal with, say, a demonstration probation project. But even as a good program, there are all these other relevant aspects that would prevent this child from adjusting in the community and in essence the child falls between the cracks because the programs do not gear into each other.

Mr. FOGARTY. You are not being specific enough for me. You have not given me examples of this.

CLEVELAND PROJECT

Mr. RUSSELL. This is the proposal of the Cleveland project which has just completed a planning phase.

Mr. FOGARTY. What kind of project?

Mr. RUSSELL. This project was mounted by a group of officials in the Cleveland area and includes, as the sponsors, the mayor, the president of the county commissioners, the presiding judge of the juvenile court, the president of the board of education, the president of the Welfare Federation of Cleveland, and the president of the Council of Mayors and City Managers Association. They have spent a year in gathering a good deal of data about the community in which they are going to mount the project. They have determined the number

of delinquents, the number of dependent children in the area, they have determined the educational lacks in the area and the employment needs. They have determined the family needs in this area. They have now put together a series of programs which gear into each other, so that the children's total needs can be met in the area where they are mounting the project.

In addition, the vocational training needs of these children who are for the most part not going on to college are also being addressed by new vocational training programs and vocational guidance programs. In addition, they have involved both business and labor to determine that opportunities for employment will be available to these kids when they get the kind of vocational training and education that is being proposed for them.

In addition, there are social services programs which answer some of the major needs of these families, some of the major social needs and major mental health needs of these families. The mental hygiene clinic, department of public welfare and the juvenile court are all being assisted in developing programs which addressed the needs of this particular group of people.

One of the difficulties has been that this particular group of people do not have spokesmen for themselves and frequently their needs are not addressed as well as they should be.

The project hopes in this way to demonstrate, by permitting these children the opportunity to develop their skills and developing the tools they need to live in the modern world, that these children can, in fact, make a go of it without being dependent upon the community for the rest of their lives.

Mr. FOGARTY. You call this an action program?

Mr. RUSSELL. Yes, sir.

Mr. FOGARTY. The planning has been completed?

Mr. RUSSELL. Yes, sir.

Mr. FOGARTY. And the report has been made. Now, what is the next step?

Mr. RUSSELL. They have submitted this program which, among other things, develops a baseline of data against which we can measure change. After they put the programs into effect, given the 3-year program demonstration, we will be able to measure the changes that this program has brought about.

We have asked that an evaluation of each individual program be made so that we know which of these programs are effective and which are not.

IMPORTANCE OF PLANNING

Mr. FOGARTY. If you had to give a brief, direct answer to the charge that all you are doing with these funds is planning, what would you say?

Mr. RUSSELL. My response would be that these programs are extremely expensive and we cannot spend this kind of money without adequate planning. It would be very poor judgment to merely throw money into programs that are not carefully planned. Before you can go into action you have to have a blueprint for that action. You have to know what kind of community you are dealing with, what the problems of that community are. If you are going to validate the

use of this money, you also have to have a baseline of data against which you can measure change, where you can say this much money was spent and this was accomplished.

RELATIONSHIP OF ADMINISTRATION TO LEGISLATIVE INTENT

Mr. FOGARTY. Would you prepare a statement setting forth what you believe to be the legislative intent and how that compares with your administration of the program.

(The statement follows:)

RELATIONSHIP OF ADMINISTRATION OF THE JUVENILE DELINQUENCY AND YOUTH DEVELOPMENT PROGRAM TO BASIC LEGISLATIVE OBJECTIVES

The implementation of Public Law 87-274 has been designed to coincide completely with the statement of congressional findings and policy. The entire program has been developed in response to the statement in the act of the multiple causes of delinquency and the recognition that new ways had to be found to overcome fragmented approaches to dealing with the problem.

It is clearly and unequivocally stated that the purposes of the legislation are in section 2(a) " * * delinquency and offenses occur disproportionately among school dropouts, unemployed youth faced with limited opportunities and with employment barriers, and youth in deprived family situations; and that prevention and control of such delinquency and offenses require intensive and coordinated efforts on the part of private and governmental interests."

Section 2(b) further states that the policy of the Federal Government shall be to "encourage the coordination of efforts among governmental and nongovernmental, educational, employment, health, welfare, law enforcement, correctional, and other agencies concerned with such problems."

Section 3(a) adds that demonstration and training projects must hold promise of "making a substantial contribution to the prevention or control of juvenile delinquency * * *."

The program has received 138 demonstration proposals requesting support. Most of these requests for support did not deal with the causes of the problem in terms of its multicausal nature, neither did they assure governmental and nongovernmental joint effort, nor did they offer promise of substantial impact on or contribution to prevention and control of delinquency. They were in keeping with the pattern of previous attempts, fragmented in their conception of the problem, unilateral in their approach to sponsorship, and offered little in the way of promise of substantial impact.

While success cannot be guaranteed in a demonstration program, the communities which have received demonstration grants approached the problem within the clearly stated framework of the legislation. The communities which have received grants demonstrated to the satisfaction of a professional technical review panel, which recommended approval to the Secretary, that they recognized and were prepared to plan an attack on the multiple causes of delinquency, that they had broad community support, both governmental and nongovernmental, and they were prepared to undertake the difficult task of welding different, competitive, and even isolated but significant community forces together for a joint attack on the causes of delinquency. The requirement of broad community support was deemed essential. In addition, the requirement was made that there be sound evaluation of demonstration program to test their effectiveness.

To develop solutions to complex to and deeply rooted causes identified in Sec. 2(a) of the law requires intensive efforts at assessing the relative significance of these causes in each community and carefully designing programs which can deal with them. We have met this requirement for careful preparation through utilizing the first portion of the demonstration time for factfinding and program building in each community.

This strategy of assisting communities in the developmental phase of launching a comprehensive program was deemed to be the most direct road to achieving the specific intent of the legislation.

The report of the Committee on Education and Labor on this legislation states that "clearly new methods of combating juvenile delinquency and youth

offenses must be found * * * These demonstration projects which have been funded, have undertaken the most careful development and carrying out of new programs aimed at the causes of delinquency that has ever been undertaken in this country.

Examples of these special efforts are outlined in the hearing. Each community effort will encompass a larger number of the major new approaches referred to by the Committee on Education and Labor in its report. They will not, however, be developed "in limbo," or out of context to a total community need. They will not simply be a series of gimmicks with no promise of sound testing and measuring of effectiveness against a broader background of youth need. They will be set within a broad framework of programs, with the requirement that they justify the claim of actually contributing to prevention and control.

In effect, what this program is attempting to do is to develop new models for attacking this problem; a new model for community action. There exist, within the Federal Government, resources for the testing of research on unique small program pieces related to delinquency. Such programs have had opportunity for gaining support through other Federal efforts. What has been lacking is the capacity of the Federal Government to develop a new approach which followed the clear direction from Congress for innovations that promise to have substantial impact on the problem.

Note should be made that the effort undertaken so far is having much broader repercussions in more than a score of communities which have requested technical assistance in developing this model for their own locally supported efforts.

Mr. FOGARTY. Now, what have you done under the different parts of the law?

Mr. RUSSELL. The law is divided into three parts: one for demonstration and evaluation of projects; another part for training personnel; and a third for technical assistance services and administration. Certainly a good number of people have been trained, and the training projects are proceeding well. I don't think there has been any question about that. In the demonstration and evaluation projects—

TRAINING PROGRAM

Mr. FOGARTY. Do you have the numbers that have been trained?

Mr. RUSSELL. Approximately 5,000 people.

Mr. FOGARTY. And what kind of training?

Mr. RUSSELL. Training for a variety of the correctional services, like police, probation officers, those who teach in slum areas, vocational counselors.

Mr. KELLY. We will more fully develop it.

Mr. FOGARTY. Yes, for the record.

(The information follows:)

KINDS OF TRAINING

In the training part of the program, the policy and intent of the Congress—as explicitly stated in Public Law 87-274—is to assist in the development of training programs relevant to the prevention and control of delinquency which (a) encourage more effective coordination of effort among youth-serving agencies, (b) are explicitly designed to evaluate the effects of their efforts, (c) hold promise of making a substantial contribution to the prevention or control of juvenile delinquency or youth offenses, and (d) include the development of courses of study and the establishment of short-term traineeships for youth service personnel.

These goals have been explicitly identified and incorporated in the organizational design and operational procedures of our program.

Accordingly, procedures and criteria for making grants in training have stressed the necessity of an interdisciplinary approach, drawing on the knowledge of several fields: (1) such as social workers, sociologists, psychiatrists,

psychologists, educators, etc.; (2) stress is also placed on the establishment of cooperative relations between the universities providing the training and the community agencies working in the field of delinquency. Furthermore, highest priority has been given to the support of training projects which (3) (a) provide training for personnel who have the greatest impact on juvenile delinquents and problems of youth; (b) are experimental and innovative in the development of curriculum materials and methods of teaching; (c) show promise of effectively reaching a wide variety and significant number of personnel in need of training; (d) are explicitly geared to evaluate the effects of their efforts; and (e) show promise of generating and communicating knowledge that is useful to youth-serving personnel working in different regions and locales of the Nation.

To implement these objectives, three types of training projects are being supported by our program. It should be noted that in order to maximize the benefits of the various training efforts being supported, each of the programs indicated below is actively related to the other and to the planning-demonstration program.

1. Training center grants

The number of persons capable of providing specialized training is limited and thinly dispersed in different communities and operating agencies. Consequently, in order to promote the development of training facilities on a long-range basis, capable of training a wide variety and large number of personnel, eight centers have been established, to date, at as many universities around the country, to serve as models for a new approach to interdisciplinary training of youth-serving personnel. In each case, the applicant university has been awarded a grant on the basis of demonstrating its interest and competence in developing training programs in delinquency prevention and control, and in servicing the training needs of various agencies, groups, and communities throughout the region. Although each of the centers differs somewhat from the other in terms of emphasis on the training of certain types of personnel, all of them have designed or are in the process of designing, courses of instruction for a wide variety of personnel groups. Thus, each of the centers is expected to develop training programs for social workers, police, public school teachers, probation officers, vocational guidance counselors, employment placement counselors, and juvenile court judges. Their curriculums and courses of instruction offer an interdisciplinary orientation to youth problems, together with specific training in specialized areas of practice.

2. Curriculum development grants

In accordance with the stated intent of Congress to support "the development of courses of study," a series of grants have been awarded for the development of new course materials that integrate and incorporate the latest theoretical research findings in the behavioral sciences for purposes of training youth-serving personnel.

To date, 14 such grants have been made to top-ranking scholars, scientists, and experts in various disciplines and professions at the major universities and organizations concerned with youth problems. The materials and courses of study being developed have direct relevance for training a broad range of youth-serving personnel groups. Training materials for the following types of personnel in the handling of youth problems is being developed and organized into curriculum materials and courses of instruction:

(a) Community leaders, subprofessionals and volunteers: In curriculum projects of the Citizens Committee for Children of New York, the Survey Center of the University of Michigan, and the University of Chicago.

(b) Juvenile court judges, probation and parole agents: In projects at the School of Criminology of the University of California, New York University School of Social Work, University of Michigan, St. Louis University School of Social Service, Washington State University, Harvard University.

(c) Mental health personnel: In projects at the Philadelphia Psychiatric Center, University of Michigan, Harvard University, and Brigham Young University.

(d) Police officers: In projects by the International Association of Chiefs of Police, Center for the Study of Law and Society at the University of California, and the School of Criminology at the University of California.

(e) Public school teachers and other education personnel: In projects conducted by the University of Michigan, University of Chicago, and Hunter College.

(f) Social service personnel, such as detached workers, settlement house

workers, public welfare workers, etc.: In projects conducted by the University of Chicago, Harvard University, and Washington State University.

(g) Youth employment and vocational counseling personnel: By projects at Washington State University, University of Chicago, and the Youth Studies Center of the University of Southern California.

3. *Short-term training projects*

An extended program of short-term institutes, workshops, and seminars has been implemented as the third type of training grant. Many professional and volunteer youth workers are unfamiliar with existing insights and knowledge which would enhance their understanding of the problems of delinquency and delinquency prevention and appropriate methods of dealing with them. A grant program encouraging short-term traineeships for various categories of personnel actively involved in youth services has been adopted as a way of communicating such established knowledge to frontline workers.

To date, 10 grants in this category have been made to colleges and public and private agencies to conduct such training for a wide variety of youth-serving personnel, such as the following:

(a) Community leaders, subprofessional and volunteer personnel have been, or are being, trained in projects conducted by Associated Community Teams, Inc., of New York City, and New York State Division for Youth.

(b) Management personnel working in correctional institutions are being trained by the Department of Institutions in the State of Washington.

(c) Probation officers, parole officers, and juvenile court judges are being trained in projects conducted by the St. Louis School of Social Service, the National Council on Crime and Delinquency, the Kings County Probation Department of New York, and the Ohio Legal Center Institute.

(d) Schoolteachers, guidance counselors, and school administrators are being trained in projects at Union Free School, Hawthorne-Cedar Knolls, New York; Wayne State University; and Southern Illinois University.

(e) Detached "gang" workers are being trained in the project conducted by the National Federation of Settlements and Neighborhood Centers, Chicago, Ill.

(f) Vocational counselors are being trained in the project conducted by the Civic Center Clinic, New York.

DEMONSTRATION PROJECTS

Mr. RUSSELL. In the demonstration projects we have supplied 16 small grants to as many communities in order to give them the opportunity to ascertain what their main problems in delinquency are and what kind of programs would be necessary to deal with those problems.

Following the planning phase we expect these communities to develop action plans with the kind of small demonstration projects that the Congressman was talking about. There will be a number of such projects dealing with the high school curriculum, specialized probation service, parole services, specialized services within the correctional training schools, specialized services for developing employment opportunities for deprived youngsters and giving them the skills that are necessary to make use of these employment opportunities.

We hope through these projects to develop the capacity of these children in deprived areas who generally become delinquent, or who in great part fill our welfare programs. We hope to develop within them the capacity to handle the problems that are necessary for them to get around in the modern world independently.

We think that the programs that are being developed in these action programs are precisely the kind the Congressman is talking about. They include special projects in a variety of fields I have mentioned, training schools, juvenile police officers, special educational programs, special guidance counseling programs, and so forth. The

difference between this and what the Congressman was talking about is that these programs are all geared together so they complement or supplement each other.

Isolated programs could do the same thing in a small area but if you give a child vocational guidance and give him training, and there is no job for him, then your vocational training is wasted. If you develop a good probation system but do nothing about the child's homelife, then you will have wasted your probation training because the home will eventually affect him more deleteriously than the probation system can help him. Therefore, what we have tried to do is put together a series of programs that will address the total problem of delinquency rather than addressing one small corner of the problem. These problems are interrelated and if you address just one of them and leave the rest of them out, the child will suffer and your program will be largely wasted.

ANTICIPATED ACCOMPLISHMENTS BY END OF 1964

We think that in the next year and a half we will be able to fund at least six of these projects, a total of six, and that the numbers of individual programs that are represented there will be well over a hundred.

Mr. FOGARTY. What do you mean by the next year and a half?

Mr. RUSSELL. Through fiscal 1964.

Mr. FOGARTY. Supply for the record, then, what you anticipate you will have as concrete examples of what could be done in these communities at the expiration of this legislation which will be at the end of fiscal 1964.

(The information follows:)

WHAT CAN BE DONE BY THE END OF FISCAL 1964

By the end of fiscal 1964, the program will have been in operation for a period of 2 years and 8 months.

By that time nine communities across the country will have launched major demonstrations which coordinate the resources of the total community in massive new programs to attack juvenile delinquency and related social problems. In these cities we will see the following:

New programs in public school systems geared specifically for preparing low-income, minority groups for secure and responsible positions in society.

This will mean buttressing and extending the present programs of inner-city schools with new programs which will range from prekindergarten orientation programs to curriculum revision and cooperative work-study programs for seniors in high schools.

Vigorous programs involving labor, industry, schools, and employment services in an attack on the public of youth unemployment. Tied into other elements of the comprehensive programs in these cities will be innovative approaches to occupational counseling; new programs which combine work and study, and a whole host of supervised work-training opportunities designed to meet the needs of youth at a variety of levels.

Increased capability of police, courts, and corrections systems to deal with juvenile offenders. Experimental programs to increase the effectiveness of probation; new patterns of relationships among police, schools, and social agencies; special programs for youth returning to the community from institutions will be underway.

Important shifts in the social welfare services designed to strengthen the lives of families and individuals; stressed will be informal neighborhood-centered services which will make services less bureaucratic and more accessible and meaningful; homemakers' and other services designed to

increase the independence and responsibility of low-income families; special services for one-parent families.

Programs designed to help neighborhoods lift themselves up by their bootstraps. These programs will involve thousands of citizens of inner-city areas who, traditionally, have not been involved in community organization efforts.

Many other specialized programs for young people will be part of the network of programs which will be operative in these cities. Programs for unmarried parents; special services for narcotics users; new forms of leisure-time services for youth—and similar programs will be in operation.

The unique and most important aspect of the program outlined above is that the effectiveness of each individual system of improved services will be immeasurably strengthened by the fact that they will be tied to each other as part of a comprehensive, integrated approach to youth problems, supported by all major groups in the community and fully involving residents of the neighborhoods which they serve.

In addition to the nine full-scale demonstration programs which will be in full swing, eight other communities operating with grants under Public Law 87-274 will have increased their competence to deal with social problems by mobilizing their public and private services, their labor and industry groups, churches, and citizens groups. They will have an understanding of their neighborhoods in social crisis which will enable them, too, to deal with youth problems in new and effective ways.

Some 25 additional communities will have received the benefit of intensive technical assistance designed to help them make a maximum use of their own local resources.

Mr. RUSSELL. A number of communities that have not received planning grants have become very interested in this kind of an organizational project and are receiving technical assistance from us in order to help them gear up without our planning funds.

I think at the end of fiscal 1964 we will have six major action programs going on in six different communities in the country, representing different kinds of communities. We will have at least one in a rural or semirural area, several in large urban communities, and several communities that are in a transition phase. We hope in this way to address communities with a variety of different problems, variety of different organizations, so that we can, in fact, demonstrate the variety of different programs that are necessary and available in addressing these problems.

We anticipate these programs will be in the full range of services, including educational services, employment services, correctional services, social services, and so forth.

I think individual agencies around the country will be able to profit from the skillful demonstration that we anticipate coming out of these projects.

EFFECT OF APPROPRIATING NO MORE FUNDS

Mr. FOGARTY. What would be the result if Congress did not appropriate any more funds?

Mr. RUSSELL. The result would be this: The first project has been funded for 3 years. We anticipate two additional action programs will get underway in 1963 that will be funded for 1 year only and will require funds for 2 additional years. It will mean that no programs would be started in 1964. We anticipated starting in fiscal 1964 at least three full-scale programs and possibly three more with a minor amount of money from our program. So that it would mean that we would actually have funded one major action program which would go on to completion and two would have started and three would never have gotten off the ground.

Mr. FOGARTY. In other words, you do not agree with the assumption that the intent of the law has not been followed out. It has been and this Cleveland case is an example, a case in point, and the projected projects are.

Mr. RUSSELL. I would like to say, too, that the projects the Congress had in mind would be the ones that would be cut out now if our operations were suspended, because those are the projects now being gotten underway.

FULL FUNDING OF PROJECTS

Mr. FOGARTY. The appropriation for 1963 is \$5,810,000 and the request for 1964 is \$13,200,000, an increase of \$7,390,000. How much of the increase is for funding projects after the end of the fiscal year 1964?

Mr. RUSSELL. \$6,250,000.

Mr. FOGARTY. Why is that necessary?

Mr. RUSSELL. Mr. Kelly?

Mr. KELLY. We are on the horns of a dilemma, Mr. Chairman. Last year this was requested on a full funded basis and the committee reduced it to annual funding. We developed the budget this year with the base of \$6,950,000.

The first problem is that the law makes mandatory the full funding concept. You modified that by the appropriation language you put in. But the second problem is that no appropriations are authorized in the fiscal year 1965 and thereafter. We may have an application for a demonstration project that is going to take 3 years to complete. On the one hand, if we come to you and ask for full funding, we are asking for more than the authorized appropriation of \$10 million. On the other hand, if we don't, it is questionable whether or not we can proceed with a 3-year project when we don't have a legislative base on which to request appropriations.

So what we did was to make a presentation of a program to you and pointed out that \$6,950,000 is the 1964 cost, and \$6,250,000 the cost of projects started in 1963 and 1964 to bring them to completion, in recognition of the fact that the law expires at the end of 1964.

Mr. FOGARTY. With very few exceptions the committee has turned down requests for appropriations to fund such projects past the budget year.

Mr. KELLY. In this instance and in the instance of hospital construction, it was the only place where the basic law established a full funding basis. All of the other instances we have come back on an annual funding basis, in accord with the committee's action in 1963.

Mr. FOGARTY. I thought hospital construction was a little different.

Mr. KELLY. I was thinking of the research and demonstration part of it.

Mr. FOGARTY. How much is budgeted for grants and how much for contracts?

Mr. RUSSELL. All of them have gone so far for grants and not for contracts.

Mr. FOGARTY. What do you expect to do in 1964 in the area of contracts?

Mr. RUSSELL. In 1964 we expect to continue to utilize the full sum of \$4 million for grants.

Mr. FOGARTY. The legislation authorizes either method is the reason I asked the question.

Mr. RUSSELL. In the last 2 years we haven't felt any need for them. The grants are carrying out the purposes of the law. The contract is not a particularly useful way of mounting the projects that have to be mounted.

MOBILIZATION FOR YOUTH PROJECT

Mr. FOGARTY. The mobilization for youth project in New York is going ahead pretty well, is it not?

Mr. RUSSELL. Yes, sir.

Mr. FOGARTY. Is that a pretty good example?

Mr. RUSSELL. I think mobilization for youth is an excellent example of the variety of programs.

Mr. FOGARTY. Do you want to say anything about it? We are going to listen to some of their people next week.

Mr. RUSSELL. I think the mobilization for youth project is a good example of the series of programs that are necessary and useful in dealing with the problem of juvenile delinquency. Their programs are divided into a number of different areas. They have programs relating to the whole world of work, an exploratory work course, a youth job center, and a variety of programs to overcome occupational barriers.

The other division is the world of education. They have school community relations courses, laboratory school, training for improved language, curriculum improvement within the public schools, reading centers and reading clinics, and programs for parent-school relationships. They also have a guidance and personnel services program.

HELPING NEW PEOPLE ADJUST TO COMMUNITY

They have a program for helping people who are new to the community become adjusted to the community, to tie up with the different community organizations that they need to help them become a part of the community and help them to find their way in the community. They have strengthened the neighborhood centers of the community. They have provided what amounts to curb service for families by establishing neighborhood settlement houses that are open 7 days a week and several nights a week. They have people who speak the language of these recent migrants, particularly where they come from the Spanish-speaking countries, on the premises at all times so that the migrants can talk to somebody in their own language.

They have arranged a system so that when somebody comes in the door they do not confront them with a series of application forms. This frightens newly arrived people. They talk to them first and make them feel at home. They deal with their specific problems and gradually help them to become better accustomed to the community. This is a new kind of service in dealing with people in deprived areas.

They have a variety of other services available for individuals and families, including a special service for narcotic addicts. I think one of the real insights gained through the mobilization for youth program is what happens to delinquent gangs. They have discovered

that many of the fighting gangs on the lower East Side of New York, when some intervention was achieved so the fighting gangs were no longer fighting and were no longer destroying each other and other people, they discovered that many of these children were then retreating into the use of narcotics. So that, if you are going to assign people to help these gangs stop fighting and become constructive, you also have to develop services to treat the narcotic addicts. Narcotics apparently is in considerable use in these lower income areas, slum areas, and treatment services with sheltered workshops and so forth are necessary for these kids.

There are also the specialized services to the groups that I have mentioned, a detached worker project, which is sending a man out to work with a delinquent gang. There is an adventure corps which would take care of the need for wholesome recreation and to stimulate these children; and there is a preadolescent project, working with boys who are below the delinquency vulnerability age. These are some of the programs.

ILLUSTRATIVE PROJECTS

Mr. FOGARTY. Will you provide for the record two or three other projects and give their description and how much you have budgeted for 1963 and how much for 1964?

Mr. RUSSELL. Yes.

(The information follows:)

ILLUSTRATIONS OF PROJECTS UNDER THE JUVENILE DELINQUENCY AND YOUTH DEVELOPMENT PROGRAM

In Cleveland, the planning and developmental phase of the program is completed. The Hough community, where boy delinquency increased in 8 years by 155 percent as compared to a 22 percent increase of boy delinquency for the total city, was selected as the target area for the intensive demonstration projects.

The following programs are about to be started:

Preschool programs for Hough area children

The purpose is to provide an educational experience for culturally deprived 3- and 4-year-old children which will better prepare them to enter school and profit from elementary education. This program is based on the evidence that deficiencies of life in the slums grossly affect the capacity of these children to benefit from elementary school education without help earlier in life.

School programs

The school is seen as the primary target of the entire program. An extensive series of new services and curriculum development efforts will be undertaken. These are:

School work transition program.—The school work transition programs are designed to meet the need for a more systematic procedure by which youth can move from the formal academic classroom to competitive readiness for the general labor market. A central feature of the program is the occupational counseling center and the provision for work training and experience. The program will provide vocational counseling and testing, guidance counseling, advanced education, remedial education, employment orientation, occupational education, short-term skill training units, and on-the-job training.

Public welfare programs.—The establishment of a public welfare unit in the target area with reduced caseloads for workers with the aim to service families to prevent further deterioration regarding social problems facing the client and attempt to shorten the period of economic dependency.

Court and correction programs.—The court and correction program comprise the services proposed for juveniles from a designated area adjudged to be delinquent. The juveniles who come from the target area will receive addi-

tional services as the result of various other programs developed by the demonstration program.

The specific service units in the court and correction programs, to be administered directly by existing agencies and coordinated by the demonstration project, are:

The Cuyahoga County juvenile court.—High standard probation, intensive probation, group therapy unit, and residential work camp.

The Cuyahoga County Welfare Department.—High standard after-care for training schools.

State of Ohio, Bureau of Juvenile Research, diagnosis, and placement.—High standard juvenile placement service for boys and girls industrial schools.

Family study and special treatment

Recognizing that successful coordination of services is not possible if appropriate services do not in fact exist, there will be a number of special treatment programs in order to fill an existing gap in community resources. These include services for unmarried parents, and for those children in elementary and junior high school who have serious behavioral problems but are not adjudged delinquents.

Among those services designed for unmarried parents are: casework, medical- and day-center programs for unmarried pregnant adolescent girls, plus a pilot program for adolescent unmarried fathers are planned. Programs to deal with behavioral problems of youth include group work treatment programs and a youth camp.

Community support program

There will be a program of neighborhood development or community organization focused on bringing together of the interest and leadership from a variety of local organizations to work together for common community objectives.

Community youth services

These services will provide youth-serving agencies with the opportunity to coordinate their service to the youth of the area. A highlight is the program proposal which includes a communitywide recognition program for youth achievements.

The Minneapolis youth development project is developing a plan for a comprehensive, multifaceted approach to local youth problems which will coordinate the work of many youth-serving agencies and integrate the best of the current efforts with new ideas stemming from the project's research and planning.

They have selected two target areas for demonstration purposes, along with buffer zones for each area which will allow them to provide continual service to highly mobile families.

They have utilized the planning period to mobilize citizens' groups, churches, government, social agencies, schools, labor, and industry to work with them in gathering needed information and developing new approaches. The mayor is fully behind the project, as are all of these groups.

Examples of the way in which this project makes use of local resources include the following:

The project brought together a group of 18 labor leaders to discuss how labor could help with the problem of youth unemployment. This was the first time such a group had ever assembled for such a purpose.

This meeting was followed by bringing a group of the labor representatives together with school counselors to explore common approaches to preparing youth for the job market.

Project staff has worked with teenage councils to get their ideas. From this group, programs may develop which (a) offer teenagers opportunities to be of service to younger children, and (b) create better communication between parents and teenagers around problems of discipline, social activities, etc.

Volunteer groups, including the League of Women Voters, National Council of Jewish Women, and others are conducting a door-to-door study of youth unemployment in one census tract in the target area.

A group of high school seniors is studying the cause of leaving school among 100 dropouts in their high schools. The Optimist Club is financing this project, which is expected to provide information which will serve as guidelines for programs to prevent school dropouts.

Following is a brief list of some ideas which they are exploring for inclusion in a demonstration program:

1. One suggestion is that in elementary schools in the target area a support team be added, including—

A full-time social worker who would relate the school to the community.

Full-time master teacher to work with teachers in reading and arithmetic.

A physical and health education teacher who would provide needed identification with a strong male, who would add physical education programs and release the classroom teacher for intensive work with the master teacher and special groups of pupils.

2. A summer reading program under the auspices of the libraries and settlements combining recreation and reading.

3. A program involving businessmen, Optimist Club, the Women's Club, and other groups in offering incentives for improved reading and providing trips which will offer actual experiences related to subjects which students are studying.

4. They are examining the school safety patrol program very carefully, because they find that kids involved in this have less trouble in school. They want to see what factors in this program can be carried over to help motivate other youngsters.

5. One-parent family clinics to bring together ADC mothers with other mothers for help in raising families under difficult circumstances.

6. They are working with the schools, labor organizations, and girls' service agencies to develop programs for lower class girls who will probably be working mothers because of limited income, so they are better prepared to deal with this dual role.

7. In the pretest stage now is a program where women church volunteers are working in reading with first, second, and third graders after school. Students are being tested before and after the 3-month program.

8. Work-study programs in Minneapolis schools begin in the 10th grade, which is the grade when many youngsters drop out of school. A work orientation program for the ninth grade is one proposal.

9. For younger boys and girls (sixth and seventh grade) one idea is a "jobs and savings" program which would give them a beginning understanding of work, through recruiting jobs like window washing, lawn mowing, etc., with a savings program attached.

10. They are contemplating adding staff to the county school for boys and perhaps the State training schools to develop a prerelease conference, sitting down with all agencies in the community, including police, to develop programs for boys who return from institutions.

11. They are working with the Minnesota Rehabilitation Association around the possibility of running potential dropouts through their 40 home-work evaluation programs, followed by consultation with labor and businessmen to help prepare kids for specific occupations.

12. They are developing maximum contact between police and social workers, including involving police in training of new social workers.

13. Private employment agencies have traditionally had little to do with dropouts. The project is working with them and the State employment people to work up special programs for the group.

14. They will provide special orientation for teachers in downtown schools re (a) the language patterns and values of lower class youth, and (b) how to work with agencies such as ADC, police, probation, etc.

School people have visited the department of welfare as part of a program of orienting each other.

15. They have proposed a program whereby businessmen would be recruited to visit classes (one man regularly assigned to the same class) every week for a year so the students get to know him and what he represents, and so that he can see the day-to-day problems of the teachers.

16. They expect to use the five settlement houses in the target area in a broadened role as neighborhood service centers. Currently, a caseworker has been added to spend 1 day a week in each of these houses.

17. The settlements are now reaching out to groups of kids to determine more about their life styles, where and how they spend their time, as a guide to future programing.

18. Work with churches is quite close. One proposal is that middle-class suburban churches work with inner-city churches of the same denomination, where resources and memberships are limited, to help strengthen their community programs.

19. Thirty-five percent of Minneapolis students are in parochial schools. Project staff has met with assistant principals in five Catholic schools to work out ways to involve Catholic school students in community programs of the public schools.

20. Church and public recreation people have been brought together for joint program planning.

21. They hope to try a small probation caseload during initial phases of probation, so police officers can have daily contact with probationers initially until youth are ready to be turned over to the regular caseload.

22. Working with agencies and church groups to provide coordinated services for Indians, focusing on using more successful Indians to orient Indians new to the city.

23. They are developing common school and agency records so mobile families can be followed. A mobility study in the schools is in process.

24. In line with the problem of high mobility, they are recommending to youth-serving agencies a quarter system, which means the development of short 10-week programs. This is now new, but modified program designed to meet the needs of kids who move often.

25. Group boarding homes are being considered for those who need this rather than a correctional placement.

26. Considering the use of settlement house alumni as models for local children.

27. Unique stay-in-school campaigns, using workingmen for motivation are being developed. Some of this planning will come out of the neighborhood survey currently being conducted by volunteer groups. It may be possible to phase some of this into the latter part of the planning period.

New Haven, Conn., is engaged in a massive effort to integrate human redevelopment with urban redevelopment through joint planning to improve both physical and social conditions. Community Progress, Inc., is the vehicle through which the community is mobilizing civic concern and coordinating citizen action. The mayor's office and city government is solidly behind these efforts. The New Haven Board of Education, the city development administrator, the Community Council and United Fund, the central labor council, Yale University, and business and industrial organizations have pledged themselves to furthering a comprehensive program for community progress in New Haven.

One major segment of this planning and action program is the youth development program which is receiving funds under Public Law 87-274 for a 12-month planning phase that will build the foundations for a significant action project aimed at prevention and control of juvenile delinquency and the opening of opportunities for youth.

The planning phase for the youth development program is almost completed. Preliminary plans indicate that the following types of programs will be carried out:

1. The family is the first of the five basic social institutions. It forms the personality, starts the socialization process, and develops attitudes and skills needed for formal education. Family-centered programs geared to influencing family structure and child rearing practices among lower class families, influencing family attitudes toward education, and providing services to families to support manpower, education, child guidance, and correctional programs are planned. These would emanate from community schools in the six target areas selected for the total program.

2. The second basic target is the educational system which is viewed as a supplement to the family in socializing children and youth and having almost a monopoly in preparing them for future employment. At the elementary school level, programs will attempt to develop a positive attitude toward acquiring basic social skills, competence in learning through school readiness efforts, and supportive services to individual children and their families. Secondary school programs will be geared to preparation for employment through improving past educational programs and, if necessary, a revision of the entire curriculum. Prevocational training, work orientation, and occupational counseling at the high school level will be augmented by technical training for posthigh school youth.

3. Programs to stretch the aspirations of youth and aid in developing a sound self-image are being developed with emphasis on a youth employment service, a youth employment corps, and special training programs.

4. Leisure time activities for developing independence contributing to a sound self-image are seen as essential to lower class youth. Existing programs are not geared to the needs and interests of lower class youths. Proposed programs include teenage lounges that permit a high degree of responsibility on the part of youth for their development and administration; cultural programs to stretch the aspirations of lower class youths; reaching-out programs designed to draw alienated, hostile youths into recreational activities; and specially designed small group activities led by highly skilled male leaders.

5. The law enforcement system is being involved to help youth to define what constitutes social and antisocial behavior. Programs being planned will link law enforcement agencies, schools, and neighborhood in cooperative efforts to prevent illegal behavior and rehabilitate offenders. They will emphasize early identification and remedial programing, aftercare linked to the community and neighborhood action to correct unhealthy conditions and attitudes on the part of youths and adults.

6. The use of professionally untrained program aids and social service aids to augment the work of the comparatively few fully trained social workers available is an emphasis in the tentatively proposed new system of family and child welfare services which may be based in community schools with extension services located in other schools or agencies in the area.

COST OF FINANCING PROJECTS

It should be noted that in fiscal 1963 we will initiate the planning phase of seven projects for a total of approximately \$1,130,066. We expect to initiate two more major action projects in Cleveland and New Haven for a total of approximately \$1,870,000. This will be a grand total of \$3 million spent on planning and action projects in 1963.

In 1964, we plan to initiate three more major action programs at a total cost of \$2,250,000. An additional \$1,500,000 will be necessary to continue the two action projects initiated in 1963, for a total of \$3,750,000. An additional \$250,000 will be required for four action projects which will derive major support from other sources.

An additional \$6,250,000 will be required for the post-1964 costs of these projects.

Thus in 1963 and 1964 the major part of funds for demonstration projects will be allocated to action programs.

TRAINING PROGRAM

Mr. FOGARTY. Tell us about the training program, the amount budgeted for it, how it operates, the type of people trained and how many.

Mr. RUSSELL. We have \$2 million budgeted for 1964 for the training program. The training program can be divided into three parts. One part is for training centers; the other part is curriculum development projects; and the third part is short-term workshops and so forth.

The training part is to develop a base for developing information about juvenile delinquency. One of the difficulties is that a variety of different disciplines have certain knowledge which is important to understanding and dealing with the delinquent. The fields of social work, sociology, psychology, law, medicine, are all involved; all have bits of knowledge that contribute to the understanding of the delinquent.

One of the difficulties is that these bits of knowledge are rarely drawn together and when you are developing training programs of people who are working with the delinquents, if you develop in just one discipline you leave out the knowledge of the other disciplines that is so necessary.

The training centers were an attempt to pull together the resources of the university to enable them to bring together all these different kinds of people in order to develop and teach this knowledge for the personnel working with delinquency.

In funding the training centers, we have established eight of them now. This gives us an organization in which this knowledge can be developed and expanded and given to the personnel who are working with delinquents.

Some of the curriculum development projects will be mounted in the training centers. Others will draw on a variety of the personnel from different universities, generally, but also some other kinds of organizations, to develop the knowledge that is necessary, that has to be fed into the training programs in the universities and other institutions.

Finally, the short-term workshops and institutes are to enhance the skills and knowledge that the personnel who work with delinquents have to have. For example, we have had a 3-month training program of teachers who are being prepared in New York City to work in slum areas. This was at Hunter College. This is one kind of training program.

Other kinds of training programs deal with probation officers—we have one training project, the International Association of Chiefs of Police, where they are developing the kind of knowledge that police who deal with juveniles have to have. We are putting it into this type of organization because we think police will listen to their parent organization and utilize the kind of knowledge they develop. They are drawing upon sociologists, psychologists, and law.

Mr. FOGARTY. How much is budgeted for 1964?

Mr. RUSSELL. \$2 million for 1964.

Mr. FOGARTY. That \$2 million will be used in these projects you have just described.

Mr. RUSSELL. Roughly, the training centers are already funded. They will be used mainly for short-term training and curriculum development projects.

REVIEW PANELS

Mr. FOGARTY. Do you have any other panels, committees or consultants besides the President's Committee?

Mr. RUSSELL. Yes, sir; we have two panels of consultants.

We have one panel of eight people who serve as an advisory group for the demonstration projects and another panel of eight people who serve as an advisory group for the training programs.

They review all applications and make recommendations to the Secretary.

Mr. FOGARTY. It might be well to put in the names and identification of the members.

Mr. RUSSELL. Yes, sir.

(The information follows:)

DEMONSTRATION TECHNICAL REVIEW PANEL

The Demonstration Project Technical Review Panel is appointed by the Secretary of the Department of Health, Education, and Welfare and has the responsibility of studying grant applications and making recommendations to

the Secretary. In addition, within the broad framework of Public Law 87-274 it has recommended the establishment of priorities and policies in the development of projects to demonstrate and evaluate effective prevention and control of juvenile delinquency. The Panel meets regularly at least three times a year. Bertram M. Beck, associate executive secretary, National Association of Social Work, New York, N.Y.

William H. Bruckner, executive director, Chicago Commons Association, Chicago, Ill.

Dr. Leonard S. Cottrell, Jr., social psychologist and secretary, Russell Sage Foundation, New York, N.Y.

Roger M. Lind, supervisor, children's division, department of social welfare, Lansing, Mich.

Dr. Joseph D. Lohman, dean, School of Criminology, University of California, Berkeley, Calif.

Dr. Elizabeth Makkay, associate director, Judge Baker Child Guidance Center, Boston, Mass.

William T. Patrick, Jr., city councilman, Detroit, Mich.

Dr. Robert Lee Sutherland, director, Hogg Foundation of Mental Health, care of University of Texas, Austin, Tex.

TRAINING TECHNICAL REVIEW PANEL

The Training Technical Review Panel is appointed by the Secretary of the Department of Health, Education, and Welfare and meets at least three times a year. It is composed of national authorities representing a broad range of professional disciplines and experience who, within the broad framework of Public Law 87-274, make recommendations to the Secretary. These recommendations include the establishment of priorities in training efforts to be undertaken, the development of criteria, the review, evaluation of and recommendations on all applications for grants for training programs.

Dr. Z. George Barnett, associate professor of education, School of Education, Michigan State University, Lansing, Mich.

Dr. Frederick Delliquadri, dean, School of Social Work, Columbia University, New York, N.Y.

Dr. G. Franklin Edwards, professor of sociology, Department of Sociology, Howard University, Washington, D.C.

Dr. LaMar T. Empey, doctor of sociology, Provo experiment in delinquency rehabilitation, director, Brigham Young University, Provo, Utah.

Dr. Edward D. Greenwood, coordinator of training in child psychiatry, the Menninger Foundation, Topeka, Kans.

Dr. Lloyd E. Ohlin, director, research center, New York School of Social Work, New York, N.Y.

Frank J. Remington, professor of criminal law, University of Wisconsin, Madison, Wis.

Dr. Elliot T. Studt, doctor of social work, inmate staff community project, project director, Berkeley, Calif.

COOPERATION WITH OTHER AGENCIES

Mr. FOGARTY. Are there any other agencies that get administrative expenses from this appropriation?

Mr. RUSSELL. Yes, sir; we supply money for three positions in Labor and three positions in the Department of Justice.

We also, within our own department, give money for some positions in different units of HEW that are directly related to this program.

Mr. FOGARTY. So the three departments are Labor, Justice, and HEW?

Mr. RUSSELL. Yes, sir.

Mr. FOGARTY. Are they all talking to each other?

Mr. RUSSELL. We see each other daily.

Mr. FOGARTY. Daily?

Mr. RUSSELL. Yes, sir.

Mr. FOGARTY. Are you getting along all right?

Mr. RUSSELL. Yes, sir; fine.

Mr. FOGARTY. Mr. Denton.

BACKGROUND OF DIRECTOR

Mr. DENTON. Have you appeared before this committee before?

Mr. RUSSELL. No, sir.

Mr. DENTON. I wonder if you would give us a summary of your background.

Mr. RUSSELL. Yes, sir; just prior to assuming this position I was deputy special assistant to the first special assistant to the Secretary.

Just prior to that I was in Turkey for 15 months with the United Nations as a social welfare consultant to the Government there.

Prior to that I was the Chief of the Training Branch of the Juvenile Delinquency Division in the Children's Bureau and before that community services consultant in the same Division.

Mr. DENTON. HEW?

Mr. RUSSELL. Yes, sir. Prior to that I was the executive director of a private family agency and had some 5 years' experience in the juvenile court as a probation officer.

Mr. DENTON. Where?

Mr. RUSSELL. Cleveland, Ohio. I also served as a fellow in the Department of Sociology of the City College of New York. I taught sociology for 1 year.

Mr. DENTON. What education do you have?

Mr. RUSSELL. I have a bachelor's degree in social science, and master's degree in social welfare administration from Western Reserve University in Cleveland.

Mr. DENTON. Now I had the same complaints that Mr. Fogarty had about this program; that it was not carrying out the intent of the authorizing legislation.

I expect you covered that as thoroughly as you can with Mr. Fogarty, have you not?

Mr. RUSSELL. I think so.

Mr. DENTON. I notice there is an item of \$479,000 for 1963 and \$495,000 for 1964 for services of other agencies. I guess that is money that you pay the Justice Department and Labor Department and HEW as you testified.

Mr. RUSSELL. Yes, sir.

FULL FUNDING

Mr. DENTON. I do not understand this item of \$6,250,000 that you testified about. Do you intend to obligate that money during fiscal year 1964 and pay it out later on; is that it?

Mr. RUSSELL. Yes, sir.

The demonstration projects are rather extensive projects as I have described them.

We anticipate that the cost of one particular project would be approximately \$750,000 for 1 year. This is part of the cost of the projects. We expect each of these projects to get money for support from a number of different sources and private foundations.

The \$6,250,000 represents the costs in 1965 and 1966 for the five projects that will have been started in 1963 and 1964.

Mr. DENTON. Mr. Kelly, can we do that, appropriate money when there is not any authorization?

Mr. KELLY. There is, you see, the basic law in this instance. It prescribes that the projects be on a full funded basis, the concept being that if you approve a project for, say, \$600,000 for a period of 3 years, you would obligate the entire amount at the time that you approve the project.

Mr. DENTON. I understand that.

You take the federally impacted area school assistance program; we never appropriate beyond the extent of the act.

Mr. KELLY. I am not sure they are similar, but there is a similarity to the kind of projects that we carry on, for example, in the Office of Vocational Rehabilitation. We may enter into a 3-year project, but we fund only the first year of it. The law does not require that the projects be either full funded or not full funded. Because of our relationships with this committee, we base the budget on annual funding. We may know that a particular demonstration project is going to take 3 years and we approve the plan for 3 years; we obligate funds for the first year and give them a letter saying that if the project is successfully carried on as planned, and if the Congress makes sufficient funds available, we will approve it for a second and third year.

But in the case of the juvenile delinquency program, the Congress inserted in the law the requirement that projects should be funded on a full funded basis. In 1963 we cannot do that because the Appropriation Act said we could not do it. We are asking in 1964 to return to full funding because it is the last year of the program.

DEMONSTRATION PROJECTS

Mr. DENTON. Are demonstration projects—are they similar to the Harlem project and Cleveland project that you have just related?

Mr. RUSSELL. They are similar to the Mobilization for Youth project on the lower East Side of New York and to the Cleveland project that I have just described briefly.

The Harlem project is actually a curriculum development project. It is designed to develop the kind of training materials that we need to train volunteers to work in slum areas.

Mr. DENTON. I think that term “demonstration project” is rather unfortunate. Is it just some project that you try out to see how it works?

Mr. RUSSELL. It could be.

Mr. DENTON. You tried the project in New York, for example, to deal with juvenile delinquency to get some experience to see how it works out?

Mr. RUSSELL. It is to test out different ideas to show how you deal with delinquents.

This is the reason we insist upon a planning period so you carefully work out what the problems are and what kind of programs you need to deal with those problems.

Mr. DENTON. It is an experiment; is it not? Is an experiment where you try to work out what you have learned theoretically about it?

Mr. RUSSELL. Exactly, and we have a certain amount of evidence to indicate that the programs that are being instituted there, in fact, work out.

Mr. DENTON. I think that is good.

Mr. FOGARTY. Mr. Lesinski.

PARENT RESPONSIBILITY

Mr. LESINSKI. Mr. Russell, talking about juvenile delinquency, what approach have you taken, if any, as to the responsibility of the parents?

Mr. RUSSELL. I think in order of contact with the child, certainly the parents are most important—the most important single influence on the child. The fact of the matter is, however, that many parents are incapable; they don't have the tools, the wherewithal, to deal with the problems that confront them in the community. So that the community itself becomes an important part of it. In other words, if the parents teach their children the value of honesty, authority, and morality, that is fine. But if the child goes into the outside world and finds he cannot get along observing these values, then the parent's teachings are likely to fall flat and he becomes influenced by the other people in the community who teach him other things. So in our programs we have certainly geared our programs to strengthen the hands of the parents in dealing with the children and we have also tried to affect the community in such a way that the parents' teachings are not wasted or nullified by the effect of the community on the children.

Mr. LESINSKI. There is something wrong. Invariably it is a combination of things, but if the child respects the parent, the less chance of delinquency. The point is, have you ever tried or thought of making the parents more responsive to their children?

Mr. RUSSELL. Yes. I would say more responsive and more responsible for the children. In one of the programs in Cleveland, for example, you have a large number of newly arrived people coming from southern areas where the education system is quite different and the parents do not particularly value education. A program has been started to bring the parents into the school to teach them the value of the school and to help them to help the children learn what they have to learn in the school system in order to get along in the world afterward. Such small things as providing a space in the home where the child can study and providing the child some time so he can study; encouraging the child to continue in school rather than dropping out of school before he has completed his education. These are the kind of programs that I made reference to.

Mr. FOGARTY. But there is no way you can make the parents be good parents.

Mr. LESINSKI. How can you make a parent responsive when the child is a victim of circumstances and the parents do not even want the child? How can you make that parent responsive?

Mr. RUSSELL. If you are using the term "make" in terms of "forcing," the only way is to make him do it legally which does nothing for the child emotionally. On the other hand, I think even where parents do not want children, there are very few parents who would consciously set out to make their child a delinquent. I think a great deal

of delinquency, and parents lack of responsibility, is the inadequacy of the parent himself. I think one of the ways we can help him to be a better parent is to give the parent some tools to deal with the children and to deal with the world itself; to help the parents in terms of better housing; help in terms of better jobs; to help in terms of better appreciation of what it takes to raise a child. I think that many of the programs in HEW were geared to this particular task.

Mr. FOGARTY. And education?

Mr. RUSSELL. Yes, sir.

NEED TO DEAL WITH TOTAL COMMUNITY PROBLEMS

Mr. LESINSKI. How can you have a parent more responsive if you are continually trying to help that parent without appreciation of achieving such a goal. How can you have a parent more responsive where you are constantly trying to give environment and so forth to the parent which may have lacked environment originally but does not give him the morality, the fiber to develop his own character.

Mr. RUSSELL. Mr. Lesinski, you are hitting on the guts of our program—that you cannot intervene in one little aspect of a person's life and think this will solve all of his social problems or even one problem. In other words in order to address the variety of social problems that confront these people, you have to deal with the total community and all the different influences that affect a child and his parents. If you merely intervene in the educational system, you are going to fall short somewhere else. If you intervene just at the point where the child commits a delinquent act and put him in a detention home and adjudicate him a delinquent, and provide good probation service, that is not enough. You have to intervene in the crucial point in a child's life that affects him and his ability to get along in the community and this is the primary reason that we have insisted upon a planning phase that will mobilize all of the resources in the community.

GROUPS SUSCEPTIBLE TO DELINQUENCY

Mr. LESINSKI. Many of the people you are talking about are those that come from the other parts of the country, who have lived in huts and never had toilet conveniences, and so forth. As a matter of fact, had dirt for their floors in their homes and this sudden change from one environment to another has played quite a mental shock upon them. Navajo Indians, they are talking about putting up large modern homes, but prior to this time they lived in tin shacks. They put them in a modern home. How can a Navajo woman know how to scrub floors or clean windows until there has been a transition?

Mr. RUSSELL. That is very true. If we can go back historically some 40, 50, or 60 years ago, our high delinquency rates were due to the recently arrived immigrant groups from Europe. As they became assimilated, the rate went way down. Now there are the people coming from the rural areas into the urban areas and these have the highest delinquency rates. I think as they become assimilated into the new communities, you are likely to see a drop in their delinquency rates also, but I think we have to take a good many preventive measures to help them assimilate.

Mr. LESINSKI. Getting back to the problem—be it Indian or anyone—you cannot change them overnight and it takes time and self-initiative to be able to develop and try to be equal with other people. I think some of the thinking, as I see it here, is the fact that we want to have everyone be able to be taken care of, which is true. But the effort is toward doing it too quickly, too soon. It was too quickly as in Africa; they were given their freedom so quickly without having the basic premise as to what it is all about. This is typical of what we are trying to do here. We are trying to go too quick. That is, despite the programs—the fact that the programs are——

Mr. FOGARTY. On that point, this is not an entirely new program. Other groups have been working in this field for years. For instance, it is a continuation of thinking and activities in the Mobilization for Youth Program, which in turn was preceded by the old Henry Street Settlement work in New York. The same people who have been in that work for years have now progressed into this area.

Mr. RUSSELL. We do not have the choice because the problem is here with us and we have to work with them. You are quite right. Many of them involved in these programs—the recipients—are relatively naive and unsophisticated in this modern society that we live in. Yet they do live in the society and we have to do the best we can to make them a part of it and make them able to cope with it.

Mr. LESINSKI. The chairman touched upon it, but I know practically every community that I have ever been in or associated with, there is an organization to help them in these programs. Now, this is, of course, all very important. Again, I think it commendable that you are able to get the information together. How far do you go from there?

Mr. RUSSELL. It would depend on the community. Our program, as you can see, is to help the local community to take the responsibility that they must have for dealing with their problem. It is not a problem that the Federal Government can personally intervene in. We provide the money, provide a good many of the ideas, and the technical assistance that is necessary for the local communities to gear up to these programs and we have given follow-up assistance also.

Mr. LESINSKI. I appreciate that. That is all, Mr. Chairman. Thank you.

Mr. FOGARTY. Is there anything else you want to say, Mr. Russell?

Mr. RUSSELL. No, sir. I think you have given me the opportunity to say what I wanted to say.

Mr. FOGARTY. Thank you.

TUESDAY, MARCH 19, 1963.

BUREAU OF FAMILY SERVICES

WITNESSES

JOHN J. HURLEY, ACTING DIRECTOR, BUREAU OF FAMILY SERVICES

ANDREW R. N. TRUELSON, ASSISTANT DIRECTOR, BUREAU OF FAMILY SERVICES

CHARLES S. WHITE, CHIEF, DIVISION OF ADMINISTRATION, BUREAU OF FAMILY SERVICES

MRS. CORINNE H. WOLFE, CHIEF, DIVISION OF TECHNICAL TRAINING, BUREAU OF FAMILY SERVICES

MRS. DOROTHY B. WEST, CHIEF, OPERATING STATISTICS BRANCH, DIVISION OF PROGRAM STATISTICS AND ANALYSIS, BUREAU OF FAMILY SERVICES

DR. ELLEN B. WINSTON, COMMISSIONER OF WELFARE

ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
State expenditures:			
1. Payments to or on behalf of recipients:			
(a) Old-age assistance.....	1,208,427	1,182,700	1,382,900
(b) Medical assistance for the aged.....	96,356	152,400	197,800
(c) Aid to families with dependent children.....	770,949	743,900	865,600
(d) Aid to the blind.....	43,733	41,100	45,700
(e) Aid to the permanently and totally disabled.....	181,949	202,900	246,200
Total, payments to or on behalf of recipients.....	2,801,414	2,323,000	2,738,200
2. Administration, services and training:			
(a) Old-age assistance.....	60,119	60,765	77,700
(b) Medical assistance for the aged.....	6,369	10,700	12,100
(c) Aid to families with dependent children.....	74,450	70,663	106,400
(d) Aid to the blind.....	3,868	3,477	5,200
(e) Aid to the permanently and totally disabled.....	19,342	21,695	29,400
Total, administration, services, and training.....	164,148	167,300	230,800
3. Demonstration projects.....			2,000
Total.....	2,465,562	2,490,300	2,971,000
4. Collections and adjustments during year (-).....	-21,183	-21,240	-21,000
Total program costs funded.....	2,444,379	2,469,060	2,950,000
Change in selected resources ¹	6,451	208,653	
Adjustment between State expenditures and Federal grants advanced to States.....	22,595		
Total obligations (object class 41).....	2,473,425	2,677,713	2,950,000
Financing:			
Appropriation available from subsequent year (-).....	-580,587	-720,000	-720,000
Appropriation available in prior year.....	508,362	580,587	720,000
New obligational authority (appropriation).....	2,401,200	2,538,300	2,950,000

¹ Selected resources as of June 30, are as follows:

	1961	1962	1963	1964
Selected resources at end of year (amount obligated in current year for grants chargeable to appropriation for subsequent year).....	508,362	580,587	720,000	720,000
Amount of 1962 appropriation used to complete 1961 requirements.....	-3,466			
Amount of 1963 appropriation used to complete 1962 requirements.....		-69,240		
Total selected resources.....	504,896	511,347	720,000	720,000

TRAINING OF PUBLIC WELFARE PERSONNEL

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....			61
Positions other than permanent.....			100
Other personnel compensation.....			1
Total personnel compensation.....			162
12 Personnel benefits.....			6
21 Travel and transportation of persons.....			12
22 Transportation of things.....			2
23 Rent, communications, and utilities.....			4
24 Printing and reproduction.....			7
25 Other services.....			800
Services of other agencies.....			2
26 Supplies and materials.....			2
31 Equipment.....			3
41 Grants, subsidies, and contributions.....			1,000
Total obligations.....			2,000

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....			3
Full-time equivalent of other positions.....			10
Average number of all employees.....			16
Number of employees at end of year.....			18
Average GS grade.....			11.5
Average GS salary.....			\$10,574

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities: Training of public welfare personnel (cost-obligations).....			2,000
Financing: New obligational authority (appropriation).....			2,000

ASSISTANCE FOR REPATRIATED U.S. NATIONALS

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
25 Other services.....	195	258	333
41 Grants, subsidies, and contributions.....	295	144	167
Total obligations.....	490	402	500

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Mentally ill	195	258	333
2. Others	279	144	167
Total program costs, funded	474	402	500
Adjustments between State expenditures and Federal funds advanced to States	16		
Total obligations	490	402	500
Financing:			
Comparative transfers to other accounts	27	65	
Unobligated balance lapsing	247		
New obligational authority (appropriation)	764	467	500

*SALARIES AND EXPENSES, BUREAU OF FAMILY SERVICES**Object classification*

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions	2,552	3,012	4,610
Positions other than permanent	84	56	76
Other personnel compensation	44	48	90
Total personnel compensation	2,680	3,116	4,776
12 Personnel benefits	187	219	341
21 Travel and transportation of persons	169	241	289
22 Transportation of things	6	9	26
23 Rent, communications, and utilities	43	53	76
24 Printing and reproduction	53	58	99
25 Other services	16	37	78
Services of other agencies	22	23	40
26 Supplies and materials	25	28	45
31 Equipment	36	6	37
Total obligations	3,237	3,790	5,807

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	376	393	552
Full-time equivalent of other positions	11	8	11
Average number of all employees	336	368	525
Number of employees at end of year	366	382	537
Average GS grade	9.2	9.2	9.5
Average GS salary	\$7,822	\$8,495	\$8,706

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Program policies and standards.....	900	1, 151	1, 839
2. Review State plans and grants, evaluate State operations.....	1, 752	1, 990	3, 034
3. Collect and interpret statistics.....	330	386	628
4. Administration.....	258	263	306
Total program costs, funded.....	3, 240	3, 790	5, 807
Change in selected resources ¹	-3		
Total obligations.....	3, 237	3, 790	5, 807
Financing:			
Comparative transfers from other accounts (-).....	-27	-65	
Reimbursement for emergency preparedness functions (-).....			-407
Unobligated balance lapsing.....	232		
New obligational authority.....	3, 442	3, 725	5, 400
New obligational authority:			
Appropriation.....	3, 442	3, 585	5, 400
Proposed supplemental due to pay increases.....		140	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$16,000; 1962, \$13,000; 1963, \$13,000; 1964, \$13,000.

Dr. WINSTON. Mr. Hurley is going to testify.

Mr. FOGARTY. Mr. Hurley, you have not appeared before our committee as Director, but you have been here before.

Go ahead, Mr. Hurley.

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Mr. HURLEY. Federal grants-in-aid for public assistance are available under five titles of the Social Security Act.

The assistance programs for which grants can be made include old-age assistance, aid to families with dependent children, and aid to the blind, for which grants were authorized in 1935 under titles I, IV, and X, respectively.

Grants for aid to the permanently and totally disabled were authorized in 1950 under title XIV.

In 1960, title I was amended to authorize Federal funds for a fifth program, medical assistance for the aged.

Finally, as an alternative to separate programs for the aged, blind, and disabled, the Public Welfare Amendments of 1962 established title XVI authorizing grants for a combined single program for aid to the aged, blind, and disabled or for such aid and medical assistance for the aged.

The appropriation request for Grants to States for Public Assistance, included in the President's budget, contains an estimate of \$2,950 million.

REDUCTION FROM BUDGET ESTIMATE

However, information which we have obtained from the States, within just the last few days, indicates that this estimate can be reduced by \$50 million. This reduction would affect three programs.

In the program of old age assistance, the request can be reduced by \$10 million, because fewer States than anticipated are planning to

implement the 1962 Amendments permitting them to have a single program for the adult categories.

The estimated amount of the Federal funds for medical assistance for the aged can be reduced by \$20 million because the growth in these State programs has been less rapid than the States anticipated.

For the program of aid to families with dependent children, the estimate can be reduced by \$20 million because of a downward revision in the average monthly payment per recipient based upon the most recent program trends.

BUDGET INCREASES

The appropriation request for 1964 is \$2,900 million, or \$151.7 million more than the request for 1963, which includes a proposed supplemental amount of \$210 million.

Since part of the 1963 appropriation was used to meet 1962 requirements, the increase in annual requirements for 1964 over 1963 is \$220.7 million.

About \$137 million of this increase reflects the effect of the Public Welfare Amendments of 1962 and certain administrative actions taken by the Secretary of Health, Education, and Welfare; the rest is due to the continuing growth of the programs of medical assistance for the aged, aid to the permanently and totally disabled, and aid to families with dependent children, which would have occurred regardless of the amendments.

The public welfare amendments of 1962 to the public assistance titles of the Social Security Act, and certain administrative actions taken by the Secretary of Health, Education, and Welfare made far-reaching changes which are designed to strengthen and improve the public assistance programs and enhance their effectiveness in preventing and reducing dependency.

I should like to summarize, briefly, the major changes involving additional expenditures from Federal funds:

1. An increase of about \$4 per month per recipient in the Federal share of assistance payments to the aged, blind, and disabled:

2. Extension until 1967 of the program of aid to families with dependent children to families in which a parent is unemployed; and inclusion of a second parent, if incapacitated or unemployed, in computing the Federal share of assistance payments to families with dependent children;

3. Provision, at a State's option, for a single plan for the adult assistance programs;

4. Exemption, at the option of States, of income earned by recipients of old-age assistance, up to a maximum of \$30 (the first \$10 and one-half of additional earnings up to \$50), in determining the need of recipient;

5. An increase from 50 percent to 75 percent in the Federal share of the State and local costs of providing preventive and rehabilitative services and in the costs of training State and local personnel for administering the public assistance programs.

In addition to the foregoing changes, which occurred as a result of legislative action, the Secretary of Health, Education, and Welfare took a number of administrative actions affecting the public assistance programs.

The major action affecting Federal expenditures provided for the extension of the public-assistance programs to include needy persons on conditional release from mental institutions.

MEDICAL ASSISTANCE FOR THE AGED

The request for 1964 also reflects the impact of the Kerr-Mills provisions of the 1960 amendments.

These provisions established the program of medical assistance for the aged in October 1960 and made additional Federal funds available in old-age assistance based on payments to the suppliers of medical goods and services.

For medical assistance for the aged, the States have indicated that in 1964 they will pay medical vendors a total of \$343.4 million, including \$179 million in Federal funds.

The increase from estimated expenditures in 1963 is \$84.3 million in total funds and \$45.3 million in Federal funds.

Under the program of old-age assistance, medical care is furnished both through payments to vendors and through cash payments to recipients.

Such expenditures are estimated to amount to \$491 million in 1963, of which the estimated Federal share is \$298.6 million.

For 1964, it is estimated that a total of \$511 million will be paid for medical care under this program, including \$316.6 million in Federal funds.

Attachments to this statement show the status of State plans and actions with respect to programs of medical assistance for the aged and vendor medical payments in the program of old-age assistance.

ELIGIBILITY REVIEW PROGRAM

In conclusion, I should like to summarize briefly the actions that have been taken to conduct a careful review of eligibility under the program of aid to families with dependent children as directed by the Senate Committee on Appropriations.

Plans for carrying out this directive have been completed. Approximately 1,000 State and local staff and 75 staff members of the Bureau of Family Services are participating in the actual field work in connection with the review, which began on January 28, 1963.

At the request of the Senate Appropriations Committee, the General Accounting Office has also assigned staff to the study.

The fieldwork, which involves redetermining the eligibility of a sample of the caseload of recipients of aid to families with dependent children throughout the Nation, will take about 3 months.

Following this, an analysis of the findings will be prepared and incorporated in a report to the Congress.

Mr. Chairman, this concludes my statement.

I shall be glad to answer any questions you or other members of the committee may wish to raise.

PREPARED STATEMENT

Mr. FOGARTY. Thank you. We will put your prepared statement in the record.

(The prepared statement follows:)

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Federal grants-in-aid for public assistance are available under five titles of the Social Security Act. The assistance programs for which grants can be made include old-age assistance, aid to families with dependent children, and aid to the blind, for which grants were authorized in 1935 under titles I, IV, and X, respectively. Grants for aid to the permanently and totally disabled were authorized in 1950 under title XIV. In 1960, title I was amended to authorize Federal funds for a fifth program, medical assistance for the aged. Finally, as an alternative to separate programs for the aged, blind, and disabled, the Public Welfare Amendments of 1962 established title XVI authorizing grants for a combined single program for aid to the aged, blind, and disabled or for such aid and medical assistance for the aged.

The appropriation request for grants to States for public assistance included in the President's budget contains an estimate of \$2,950 million. However, information which we have obtained from the States within just the last few days indicates that this estimate can be reduced by \$50 million. This reduction would affect three programs. In the program of old-age assistance, the request can be reduced by \$10 million because fewer States than anticipated are planning to implement the 1962 amendments permitting them to have a single program for the adult categories. The estimated amount of the Federal funds for medical assistance for the aged can be reduced by \$20 million because the growth in these State programs has been less rapid than the States anticipated. For the program of aid to families with dependent children, the estimate can be reduced by \$20 million because of a downward revision in the average monthly payment per recipient based upon the most recent program trends.

ESTIMATED COSTS—FISCAL YEAR 1964

The amount of Federal, State, and local expenditures for these programs for 1964 is estimated at \$4,864,700,000. The estimated Federal share of this amount is \$2,921 million of which \$21 million will come from the Federal share of collections and adjustments for prior years made by the States during the year 1964. Thus the appropriation request is \$2,900 million.

The appropriation request for 1964 is \$151,700,000 more than the appropriation request of \$2,748,300,000 for 1963, which includes a proposed supplemental amount of \$210 million. Excluding the amount of \$69,240,000 used from the 1963 appropriation to complete the requirements for 1962, and including a decrease in 1964 of \$240,000 in the amount of collections and adjustments for prior years, the increase in 1964 over 1963 is \$220,700,000. This increase is divided among programs as follows: \$86,400,000, for old-age assistance; \$46,800,000, for medical assistance for the aged; \$55 million, for aid to families with dependent children; \$1,700,000, for aid to the blind; and \$30,800,000 for aid to the permanently and totally disabled. For the fiscal year 1964 expenditures under title XVI, the combined single program authorized under the 1962 amendments, are included in titles I, X, and XIV.

For all programs except medical assistance for the aged and aid to families with dependent children the increase in 1964 over 1963 reflects primarily the effect of the Public Welfare Amendments of 1962. For the program of medical assistance for the aged, the increase is due to the growth in the number of States with approved plans in 1964 over 1963 and a rise in expenditures in 1964 under State plans in operation in both years. The increase in aid to families with dependent children is due primarily to a rise in the average monthly payment per recipient between 1963 and 1964 and an increase of 53,500 in the number of recipients—considerably less than the 75,000 increase in recipients that could be expected from the growth of the child population.

BASIS OF STATE CLAIMS FOR FEDERAL FUNDS

Before presenting a summary of the Public Welfare Amendments of 1962 and their effect on the request for funds, I should like to explain that the amounts expended from Federal funds are determined by the amounts expended from State and local funds. Under all the grant-in-aid programs, including the new program of medical assistance for the aged, the level at which the need for financial and other services is met depends on the States' determination of

who should be helped and on the financial ability and willingness of the States to provide their share of the cost. Thus, the amount of the Federal grant to an individual State depends upon what the State itself spends. A detailed description of the specific provisions for determining the Federal share of the total costs of these programs is included in the justification statement for ready reference.

Grants to the States are based on plans they submit for each program. These State plans must be approved by the Department of Health, Education, and Welfare as meeting requirements of the Social Security Act. To be approved, the State plan must be in operation throughout the State. The State must share in the cost, and a single State agency must administer the plan or supervise administration. In the program of medical assistance for the aged, the State agency can make payments only to doctors, hospitals, and other suppliers of medical care for services provided to eligible persons. Under the other programs, also, medical costs can be met in this way or through a money payment. Help in meeting other basic needs, however, must be given in the form of a money payment made directly to the needy person or to his judicially appointed legal representative. The State agency must provide, if requested, a fair hearing for any persons whose application for aid is denied or whose payment is decreased or stopped. These requirements of the Federal law are intended to ensure that Federal money is used equitably and for the purpose for which Congress appropriates it.

PROGRAM COVERAGE

Today, approved plans for old-age assistance, aid to families with dependent children and aid to the blind are in operation in all 54 jurisdictions (the 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands); all but two of these jurisdictions—Alaska and Nevada—have approved plans for the program of aid to the permanently and totally disabled. As of December 31, 1962, 28 States had programs of medical assistance for the aged in operation, and 7 additional States expect to have programs during 1964.

PUBLIC WELFARE AMENDMENTS OF 1962

The public welfare amendments of 1962 to the public assistance titles of the Social Security Act and certain administrative actions taken by the Secretary of Health, Education, and Welfare made far-reaching changes which are designed to strengthen and improve the public assistance programs and enhance their effectiveness in preventing and reducing dependency. The request for 1964 includes \$399,500,000 to cover the costs of these legislative and administrative actions. The costs of these changes in 1964 is estimated to be \$137,400,000 more than for 1963 primarily because some of the changes will be in effect for the entire fiscal year 1964 as contrasted with only part of the year in 1963.

I should like to summarize the amendments briefly and, where appropriate, outline major developments that have occurred under them.

Extension of 1961 temporary amendments.—Included in the public welfare amendments of 1962 was an extension of several temporary amendments enacted in 1961. The \$1 increase in the formula for computing the Federal share of assistance payments in old-age assistance, aid to the blind, and aid to the permanently and disabled, due to expire on June 30, 1962, was made permanent.

In the program of aid to families with dependent children, the 1961 amendments made it possible for the States to expand their programs to include children of unemployed parents; this provision, which initially expired on June 30, 1962, was continued for 5 years.

In December 1962, 14 States provided aid to children of unemployed parents under their programs of aid to families with dependent children. The number of recipients has grown from 72,300 in May 1961, when four States made payments to this group, to 295,200 in December 1962. To date, the turnover in this segment of the program has been rapid. Thus 81 percent of the cases approved for assistance had been closed by the end of December 1962, more than half of them because the parent got a job. Further, of those who got jobs about 62 percent apparently found new jobs largely on their own initiative. The others either returned to former employment or were placed through Employment Security referrals.

The 1961 temporary provision for Federal participation in the cost of foster family care for a dependent child who is removed by court order from an unsuitable home was made permanent. In addition, for 2 years, starting October 1, 1962, Federal sharing is allowed in assistance paid for such a child if he is placed in a private child care institution. In December 1962 more than \$155,000 was paid for foster care for 2,133 children in 13 States.

The Federal cost of extending the 1961 amendments is estimated at \$74 million for 1964, a decrease of \$6,300,000 from the amount estimated for 1963. The decrease is due to a small estimated reduction in expenditures for aid to families with dependent children in which the parents are unemployed. This estimated decrease represents the net effect of a reduction in the number of such recipients on the rolls in States providing aid to this group in both 1963 and 1964 (based on the assumption that by 1964 improved economic conditions will have reduced the number of such families on the assistance rolls) and the addition of recipients in States that initiate the program in 1964.

Increase in Federal matching formula for the aged, blind, and disabled.—To improve assistance payments to the aged, blind, and disabled, the Congress not only made permanent the increase in the amount in which there is Federal participation, which I have just described, but provided a further increase of approximately \$4 per month per recipient. The cost of this change is estimated at \$138,100,000 for 1964, an increase of \$57 million over the amount estimated for 1963. Part of the additional cost in 1964 reflects the fact that this change will be in effect for the entire year 1964 in contrast to only 9 months in 1963. The rest of the increase reflects anticipated action on the part of the States to raise average monthly payments to recipients in 1964 up to the full amount of the average monthly increase made possible by the increase in the Federal share. The estimates for 1963 and 1964 are based on past experience with similar increases in the Federal share of assistance payments, which shows that in the third month following such a change, the States increased expenditures from Federal funds to about 60 percent of the maximum increase in the Federal share made possible by the formula changes; and that it takes more than 12 months for expenditures from Federal funds to reach the maximum amount of the Federal increase made possible by the formula change. The estimate of the additional Federal funds required for the fiscal year 1963 assumed that by December 1962, State expenditures from Federal funds will include 60 percent of the maximum increase; that by June 1963, this percentage will be about 88 percent; and that by December 1963, all of the Federal increase will be reflected in State expenditures.

Inclusion of second parent in certain families with dependent children.—In the program of aid and services to needy families with children, a second parent, if incapacitated or unemployed, may be included in the payment with Federal participation, under the new legislation. Previously, the payment in which the Federal Government shared counted only the children and one relative, usually the mother.

This change which became effective on October 1, 1962, is estimated to cost \$34,600,000 in 1964, when it will be in effect for the full year. The increase from 1963, when the provision was in effect for only 9 months, is \$2,800,000.

Adult categories: Single plan.—The Public Welfare Amendments of 1962 permit States to simplify administration by having a combined single plan for the adult assistance programs—old-age assistance, aid to the blind, aid to the permanently and totally disabled, and medical assistance for the aged—instead of four separate categories. Under the single plan States will be able to claim additional Federal funds based on vendor medical payments for recipients of aid to the blind and aid to the permanently and totally disabled on the same basis as they now do for recipients of old-age assistance. Thus up to \$15 of vendor medical payments per recipient per month in these two programs will be subject to additional Federal participation. The estimate for 1964 assumed that about half the States will operate these programs under a single combined plan for the entire year. The additional Federal cost for 1964 is estimated at \$21 million, an increase of \$13,300,000 over the amount for 1963 when it was assumed that the single plan would be in effect in about half the States for only part of the year.

Exemption of income earned by recipients of old-age assistance.—In order to encourage old-age assistance recipients to contribute to their own support the 1962 amendments permit the States, in determining the need of a recipient of old-age assistance, to exempt income earned by the recipient up to a maximum

of \$30 (the first \$10 and one-half of additional earnings up to \$50). This amendment is effective on January 1, 1963.

Under this provision assistance payments to current recipients who have earnings will be raised, and aged persons who previously were ineligible will be added to the rolls. Most of the additional costs will be incurred for people added to the rolls.

The State legislative action that undoubtedly will be required in some States to adopt this provision can be taken in the 1963 legislative sessions. The estimate for 1964 assumes that this provision will be in effect in most States for the full year. The cost of this amendment for the fiscal year 1964 is estimated at \$45,600,000, an increase of \$32,300,000 from 1963 when it was assumed that about one-third of the States would have the provision in effect for half the year.

Preventive and rehabilitation services, and staff training.—To encourage States to provide social services that will help dependent persons achieve greater self-support and family stability, the Federal Government is authorized as of September 1, 1962, to pay 75 percent of the costs of those services which are specified by the Secretary and 75 percent of the cost of staff training, including educational leave and agency training sessions. Prior to that time the Federal Government paid one-half of all administrative expenses in the federally supported assistance programs, including welfare services and staff training. It will continue to pay 50 percent for nonspecified services and administrative costs other than staff training.

The public welfare agency will continue to provide services by the use of its own staff as under former law. The new law provides that, subject to limitations prescribed by the Secretary, where a State welfare agency determines that it or the local agency cannot offer necessary services economically or effectively, and that these services are not otherwise reasonably available, they may be purchased by agreement from State vocational rehabilitation agencies or other State agencies. This estimate takes into account services to be purchased from such agencies.

It is estimated that for 1964 the States will receive \$42,300,000 in additional Federal funds for rehabilitative services to recipients and for preventive services to those who are likely to become recipients of assistance. Compared with the 10 months of 1963 during which the 75-percent Federal sharing will be in effect, the additional Federal funds for such services are higher by \$24,100,000. Under the public welfare amendments of 1962, a progressive expansion in the social services aspects of the program is to be undertaken. Initially services will be provided only to cases with the most severe problems. Gradually both the scope of services and the cases to which they are provided will be expanded. By 1967 the States will be expected to provide the full scope of services to all those identified as having need for them. In order to train the staff of the State and local agencies in the provision of these social services, it is estimated that the States will increase expenditures for educational leave and agency training sessions by \$1,600,000 in 1964; the Federal share of this increased expenditure will be \$1,200,000.

Consideration of expenses of employment in determining need.—In determining the amount of aid needed in any category, States have been encouraged, but not required in the past, to consider the expenses of employment of recipients who have jobs, such as costs of transportation or special clothing. Effective July 1, 1963, such action is required. The Federal cost of this provision is estimated at \$7 million for the fiscal year 1964. For States in which the average monthly payment per recipient is at or above the maximum average in which the Federal Government participates, the additional cost will be met entirely from State and/or local funds.

Persons on conditional release from mental institutions.—Recent administrative actions taken by the Secretary of Health, Education, and Welfare to improve the effectiveness of the public assistance programs have also brought about an increase in Federal funds. Under revised policy effective March 5, 1962, Federal financial participation is permitted in assistance to or in behalf of persons on conditional release from institutions for mental diseases without regard to the kind of control still exercised by the institution. Federal sharing is also available now with respect to persons on convalescent leave who enter medical institutions, including nursing homes, other than specialized institutions for care of the mentally ill. The purpose of these changes is to afford State public assistance agencies a greater opportunity to work jointly with mental institutions in

the rehabilitation of such persons. The Federal share of the cost of this policy change in 1964 is estimated to be \$31,200,000, an increase of \$5,900,000 over the amount for 1963.

Exemption of children's earnings.—The administrative action affecting the exemption of children's earnings also increases expenditures from Federal funds but to a much smaller extent. In order to promote self-reliance and self-improvement new policy material was issued that permits the States to disregard a child's income in determining need when such income is used for future educational and special training needs. In estimating the increase in the Federal share of aid to families with dependent children, it was assumed that 15 States with limited amounts of State funds for assistance payments would not adopt these changes. Of the remaining 39 jurisdictions, 33 have average payments above the maximum average of \$30 on which the Federal share is computed; hence all of the additional costs of such changes in these States would be met from State funds. It was assumed that half of the 39 jurisdictions would adopt the policy and that the Federal share of assistance payments in 1964 would be \$600,000, an increase of \$100,000 over the amount for 1963.

DEVELOPMENTS UNDER THE KERR-MILLS PROVISIONS OF 1960 AMENDMENTS

The request for 1964 also reflects the impact of the Kerr-Mills provisions of the 1960 amendments. These provisions established the program of medical assistance for the aged effective October 1960 and made additional Federal funds available in old-age assistance based on direct agency payments to suppliers of medical goods and services (vendor payments). The 28 States that have medical assistance for the aged programs in operation during the fiscal year 1963 expect to pay medical bills totaling about \$259,100,000 on behalf of 370,000 different persons. In fiscal 1964, 35 States expect to pay medical vendors \$343,400,000 on behalf of 473,700 different persons—an increase from 1963 of \$84,300,000 in payments and 103,700 in persons aided. The average annual cost per different person receiving this aid is estimated to rise from \$700 in 1963 to \$725 in 1964.

In 1963, under the program of old-age assistance, payments for medical care are estimated to amount to \$382 million in the form of agency payments to medical vendors and \$109 million in money payments to recipients; bringing the total outlay from Federal, State, and local funds to about \$491 million. This amount represents an increase of \$62 million over total money and vendor payments for medical care during fiscal 1960, the year just prior to the effect of the Kerr-Mills provisions. For 1964, it is estimated that a total of \$511 million will be paid for medical care under old-age assistance, including \$410 million in vendor payments.

I should like to call attention to the attachments to this statement, which show the status of State plans and actions with respect to programs of medical assistance to the aged and vendor medical payments in the program of old-age assistance.

BASIS FOR ESTIMATES

Number of recipients

For the programs, other than medical assistance for the aged, estimates are based on the most recent program trends, modified to give effect to the changes that are expected to occur because of the Public Welfare Amendments of 1962 and the administrative actions taken by the Secretary of Health, Education, and Welfare to strengthen and improve the programs. Estimates for medical assistance for the aged were supplied by State agencies in response to a specific request in August 1962; they have been adjusted downward on the basis of the most recent requests for funds from the States.

Old-age assistance.—As compared with 1963, the average monthly number of recipients in 1964 is greater by 30,500, or 1.4 percent. This increase represents the net effect of (1) a projected decline of 44,000 in the number of recipients prior to the effect of legislative and administrative changes and (2) increases in the number of persons who will be receiving aid as a result of the exemption of a specified amount of income from consideration in determining the need for assistance (70,400 recipients) and the extension of the programs to those on conditional release from mental institutions (4,100 recipients).

Medical assistance for the aged.—The estimate for 1964 is based on information supplied by State agencies in August 1962 in response to a specific inquiry from the Bureau of Family Services, modified to give effect to the States' request for funds for 1963.

Aid to families with dependent children.—As compared with the estimate for 1963, the estimated monthly number of recipients—children and needy adults caring for them—is greater by 53,500. The estimate for recipients exclusive of the unemployment segment is wholly related to growth in the child population between 1963 and 1964. For that segment of the program in which need is based on the unemployment of a parent, it is estimated that the number of recipients will decline by about 10 percent between 1963 and 1964 because it was assumed that by 1964 improved economic conditions will have reduced the number of such families on the assistance rolls.

Aid to the blind.—Based on current program trends a small decline—2,400—in the monthly number of recipients is projected from 1963 to 1964.

Aid to the permanently and totally disabled.—As compared with 1963, the monthly number of recipients will be greater in 1964 by 26,500, or 6.0 percent. It is estimated that the average monthly rate of increase will decline by almost one-fourth during the fiscal year 1964. Part of the increase results from the inclusion of 2,500 additional persons in 1964 who will be aided under the program extension to include persons on conditional release from a mental institution.

Average payments

Like the estimates of numbers of recipients, the estimated average monthly payments, except for the program of medical assistance for the aged, are based on recent program trends, modified to give effect to the Public Welfare Amendments of 1962 and the administrative actions taken by the Secretary of Health, Education, and Welfare.

Old-age assistance.—It was assumed that by the midpoint of 1964, the States would have passed along to recipients the full amount of the Federal increase that resulted from the formula change in the 1962 amendments. Since persons added to the rolls as a result of the exemption of up to \$30 of earned income will receive relatively low payments, the inclusion of such persons will tend to lower the average payment for the program. In contrast, the smaller number of recipients added to the rolls because of the extension of the program to persons on conditional release from a mental institution will receive payments that are about average because a large proportion of them will require nursing home care.

Medical assistance for the aged.—The increase of \$25 in the annual payment per recipient is based on the States' replies of August 1962 to a specific inquiry from the Bureau of Family Services. The average payment per recipient is higher in both 1963 and 1964 because of the extension of the program to persons on conditional release from a mental institution; payments on behalf of these persons are expected to be relatively high because a relatively large proportion will need nursing home care.

Aid to families with dependent children.—As compared with 1963, the estimated average monthly payment is larger by \$4.65 per family or \$1 per person. These increases represent primarily a projection of program trends in recent years.

Aid to the blind.—It is estimated that the change in the formula for computing the Federal share of assistance payments, which will be in effect for the full year 1964 compared with three-fourths of 1963, will account for an increase of about \$2 in the average monthly payment per recipient between the 2 years.

Aid to the permanently and totally disabled.—The estimated average monthly payment in 1964 is larger than in 1963 by \$2.50, primarily because the more liberal formula for computing the Federal share of assistance will be in effect for the full year 1964 compared with only 9 months of 1963.

COST OF ADMINISTRATION, SERVICES, AND TRAINING

The total amount to be expended by State and local agencies in 1964 for administration, services, and training is estimated at \$416,400,000, of which the Federal share is estimated at \$229,600,000 or 55 percent. These estimates represent an increase of \$52.2 million in the total amount spent by the States and an increase of \$38 million in the Federal share from the amounts estimated for 1963.

It is anticipated that most of the increase will be used to employ additional staff to provide the services encouraged or required by the 1962 amendments; to administer State programs of medical assistance for the aged as new State programs are initiated and ongoing programs are expanded; and to determine initial and continuing eligibility of those added to the old-age assistance rolls under the 1962 amendment which permits the exemption of some earned income.

Also based on experience, about one-sixth of the additional expenditures will be for salary increases including amounts for periodic increases and cost of living adjustments and about 6 percent for increases in costs of rental of space, travel, and similar items.

REVIEW OF ELIGIBILITY IN THE PROGRAM OF AID TO FAMILIES WITH DEPENDENT CHILDREN

In concluding this statement, I should like to acquaint the members of the committee with the action taken, at the direction of the Senate Committee on Appropriations, to conduct a careful review of eligibility under the program of AFDC, with the use of Federal, State, and local personnel.

Plans for carrying out this directive have been completed. Approximately 1,000 State and local staff and 75 staff members of the Bureau of Family Services are participating in the actual fieldwork in connection with the review, which began on January 28, 1963. At the request of the Senate Appropriations Committee, the General Accounting Office has also assigned staff to the study. The fieldwork, which involves redetermining the eligibility of a sample of the caseload of recipients of aid to families with dependent children throughout the Nation, will take about 3 months. Following this, an analysis of the findings will be prepared and incorporated in a report to the Congress.

Mr. Chairman, this concludes my statement. I shall be glad to answer any questions you or other members of the committee may wish to raise.

REPORT AS OF MARCH 8, 1963—ACTIVITIES OF THE 54 JURISDICTIONS TO PUT INTO EFFECT THE NEW PROGRAM OF MEDICAL ASSISTANCE FOR THE AGED

A. Programs in effect¹ (28 States) :

Alabama	Maine	Puerto Rico
Arkansas	Maryland	South Carolina
California	Massachusetts	Tennessee
Connecticut	Michigan	Utah
Guam	New Hampshire	Vermont
Hawaii	New York	Virgin Islands
Idaho	North Dakota	Washington
Illinois	Oklahoma	West Virginia
Kentucky	Oregon	
Louisiana	Pennsylvania	

B. Plan submitted; not in effect: None.

C. Plan being drafted: One State.

D. Legislation enacted; plan not yet submitted (two States): New Jersey (effective July 1, 1963) and Wyoming (effective July 1, 1963).

E. Legislation in process to give basis for program or to provide appropriation (17 States) :

Passed both houses: South Dakota.

Passed one house: Indiana.

Bill introduced: Arizona, Colorado, Iowa,² Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico,² North Carolina, Ohio,³ Texas,⁴ and Wisconsin.

Other status: Rhode Island (legislation being drafted).

F. Need legislation (four States): Alaska, Delaware, Florida, and Mississippi.

G. Have authority for medical assistance for the aged; program will not be implemented in near future (two States): Georgia, enacted 1961; no funds available; not expected to implement in 1963-64. Virginia, enacted 1962; appropriation effective January 1, 1964.

¹ Plans of these States are approved.

² Appropriation bill; has legal authority.

³ Bill to provide for exemption from lien, durational residence, and certain other provisions.

⁴ Resolution for constitutional amendment (prerequisite to legislation).

REPORT FOR PERIOD SEPTEMBER 1 TO DECEMBER 31, 1962—STATES' USE OF
ADDITIONAL FUNDS FOR OLD-AGE ASSISTANCE MEDICAL CARE

A. States making vendor payment before September 1960 for medical care costs of old-age assistance recipients (43 States) :

1. Extent of coverage or content of services for old-age assistance has been improved from level of September 1960 (24 States) :

Arkansas	Maine	Tennessee
California	Maryland	Utah
Connecticut ¹	Michigan	Vermont
District of Columbia	Missouri	Virginia
Florida	Nevada	Virgin Islands
Idaho ¹	New Mexico	Washington
Iowa	Oklahoma	West Virginia
Louisiana	Pennsylvania ²	Wisconsin

2. Have expanded old-age assistance coverage to include the medically indigent aged not in need of subsistence payments (four States) : Hawaii, Indiana, North Carolina, Ohio.³

3. No substantive change in scope of State's plan provisions from level of September 1960 (14 States) :

Colorado	New Hampshire
Illinois	New York
Kansas	North Dakota ⁴
Massachusetts ⁴	Oregon
Minnesota	Rhode Island
Montana	South Carolina
Nebraska	Wyoming

4. Legislation in process affecting medical care (one State) : New Jersey, bill introduced in 1961 session; carried forward to 1962 session. No action in 1962.⁵

B. States not making vendor payments for costs of medical care in old-age assistance before September 1960 (11 States) : New provisions for vendor payment in operation (11 States) :

Alabama-----	effective October–November 1960.
Alaska-----	enacted 1962; effective August 1, 1962.
Arizona-----	enacted 1962; effective July 1, 1962.
Delaware-----	enacted 1962; effective October 1, 1962, plan pending approval.
Georgia-----	legislation in 1961, effective January 1, 1962.
Guam-----	legislation in 1961, effective February 1, 1962.
Kentucky-----	legislation in 1960, effective January 1961.
Mississippi-----	effective April 1, 1961.
Puerto Rico-----	effective October 1960.
South Dakota-----	effective August 1961.
Texas-----	legislation in 1961, effective January 1, 1962.

Mr. FOGARTY. Why don't you go right on to the next three appropriations that you are here to justify?

TRAINING OF BUDGET WELFARE PERSONNEL

Mr. HURLEY. This budget request is to provide \$2 million for the training of State and local public assistance personnel.

We feel strongly that an expenditure of this amount would be an investment which would return real dividends.

In public assistance funds \$5 billion is spent each year to support 7 million people in need.

¹ Nursing home care withdrawn from scope of old-age assistance and provided in medical assistance for the aged.

² Payment for public nursing home care made through medical assistance for the aged.

³ Also expanded coverage and content of services for old-age assistance.

⁴ Short-term nursing home care reported for old-age assistance; long-term through medical assistance for the aged.

⁵ Began vendor payments for most kinds of health care services, effective Mar. 1, 1962.

This assistance is distributed to those in need through 25,000 caseworkers in the local welfare departments.

NUMBERS OF CASEWORKERS UNTRAINED

According to a recent study by the Bureau of Labor Statistics, only 299 of these 25,000 workers were graduate social workers—social caseworkers in the usually accepted meaning of the phrase.

Most public assistance caseworkers come to their jobs with no previous education or training in social work and 35 percent lack undergraduate degrees.

These untrained persons are expected to deal with the most difficult and complex social problems facing any group of our population—broken homes, disabilities and blindness, the infirmities and limitations of the elderly, sickness and want.

This same study by the Bureau of Labor Statistics and our subsequent findings indicate that the proportion of trained caseworkers in 1960 was progressively smaller than in 1950.

Thus, the situation with respect to the availability of trained staff is getting worse instead of better.

Although there has been legal authority for training grants to States since the passage of section 705 amending the Social Security Act in 1956, no funds have been appropriated.

Last July, as part of the amendments of the Social Security Act in Public Welfare Amendments of 1962, section 705 was extended permanently and basically revised.

Before, it was limited to formula grants to States, but the new section adds to formula grants an authority for the Federal Government to provide certain training directly.

This latter training would be provided when it can be more efficiently and economically performed as described later.

In this budget request, we have not included any funds under the formula grants to States' authority, as we believe the revision in the Public Welfare Amendments of 1962, increasing matching for training from 50 to 75 percent, should be given an opportunity to show to what extent it meets the States' needs.

DIRECT TRAINING OPERATIONS

This budget request for \$2 million is limited to the so-called direct training operations—those which would be administered by the Bureau of Family Services.

This is a limited area in which Federal leadership can do much to catalyze action.

This proposal is directed toward those training activities which the States are less able to carry on and in which a nationwide approach is effective and meaningful.

The primary thrusts in the direct Federal program for which this appropriation is requested are:

- (1) National training of key State staff;
- (2) Development of teaching materials for use in inservice training;

(3) Expansion of the teaching staff of the graduate schools of social work so that they can service various areas of the country;

(4) Encouragement of more qualified persons to enter into graduate social work training for employment in positions of responsibility in public assistance.

Of the \$2 million, \$1 million is for seminars to be administered directly or through contracts for the training of key State staff, particularly those responsible for the staff development activities.

We believe the training of trainers and key administrators is the most direct and responsive way in which to influence the improvement of the entire assistance staff.

It is logical to conduct this on a national rather than a State basis because each State has only a few such personnel and because in large consolidated training sessions, the best professors and most experienced leaders in the field can be made available to them.

The second \$1 million is planned for use in expansion of academic training.

Of this total \$400,000 will be grants to schools of social work for expansion of teaching staff.

Again, this is one of the keys to a trained number of people to work in public assistance.

The schools of social work with their present plant capacity graduate about 3,000 masters of social work annually.

However, most of these are committed or directed toward work in mental health, the Veterans' Administration, public health, vocational rehabilitation, private social agencies, etc.

To increase the number being educated for public assistance, we must help the schools of social work expand teaching staffs, particularly in the program content of public welfare administration.

The schools of social work educate persons for nationwide employment and we are asking that Congress provide for public assistance what it has already done for many other fields of social work in government, such as mental health, vocational rehabilitation, etc.

The balance of the \$1 million or \$600,000 is intended to provide 200 fellowships to attract candidates outside of public assistance to enroll for graduate training in public assistance.

As previously indicated, we believe that the funds requested for training should be regarded as an investment—an investment in efficient staff and an investment in economy.

Each of these 25,000 workers in our local public assistance agencies on the average authorize \$200,000 in grants annually.

It is good business to assure that the personnel handling this amount of funds be adequately trained. Of equal importance is the need for qualified staff to cope with the complex social problems of the dependent part of our population.

Skillful assistance and constructive efforts are needed to help break the vicious cycle of dependency by helping to reduce or eliminate some of the problems faced by recipients and, particularly, to bring more attention and better service to the 2½ million children growing up in an environment of dependency.

PREPARED STATEMENT

Mr. FOGARTY. We will place your prepared statement in the record at this point.

(The prepared statement follows:)

TRAINING OF PUBLIC WELFARE PERSONNEL

In the Public Welfare Amendments of 1962, enacted July 25, 1962, the Congress reaffirmed its belief that more adequately trained staff are needed in the States for administration of the public assistance programs. The authority provided in section 705 of the Social Security Act, as amended, to assist in this objective was not only made permanent by the recent legislation, but authority was provided to use new methods to strengthen our efforts to have better trained staff. The passage by Congress of this legislation reflects the belief that adequately trained staff are essential to other measures included in the new welfare amendments which strongly emphasize provision of social services to prevent, eliminate, and minimize dependency to the greatest possible extent.

Mr. Chairman, an appropriation of \$2 million is requested for fiscal year 1964 for the Bureau to take a new role in providing public assistance staff with the kind of training needed to help dependent persons to develop and use to the maximum their capacities for self-care, self-support, and self-reliance. All of these funds would be used under the new authority recently added to section 705 which provides for a planned direct Federal training activity to assist the States in their training efforts.

The training would be handled by arrangements entered into between the Bureau and various educational experts and institutions to provide those kinds of training that can be most productive on a nationwide scale.

Of the \$2 million requested, \$1 million is for initiating a series of training seminars to provide specialized short-term training opportunities for about 750 State and local public assistance personnel and for several special training projects. This estimate includes \$200,000 for eight Bureau positions and 10 man-years for expert consultants to be employed to assist with the training. The content of this short-term training and the staff selected to receive such training will be guided by several considerations:

(a) The approach will be countrywide; that is, the Department will concentrate on those areas of program administration that have wide application to all State agencies;

(b) Staff within these agencies to be trained are those so limited in number that the only feasible method is to tailor the training without regard to State or regional boundaries;

(c) The methods, content, and staff involved in these training activities will be chosen on a crash basis; that is, these elements will clearly relate to the urgency of making the greatest impact possible on staff preparedness to deal with the preventive and rehabilitative aspects of public assistance;

(d) The training must provide a basis for supplementation and implementation within the program framework and setting of individual States and localities;

(e) The training methods must be the type that is more economical and also provide assurance that the welfare services goals are placed in proper perspective to the purposes of public assistance and assure that such highly selective training is coordinated at the Federal level;

(f) The training must take advantage of top experts in the field which are scarce in number and would not be available to any individual State on a sustained basis.

The Bureau believes it can meet the above criteria by concentrating on four training areas in 1964:

(a) Training seminars for trainers (that is, State and local staff development personnel);

(b) Training seminars for county directors and case supervisors;

(c) Seminars for key State agency staff, such as directors of program, of research, and of finance;

(d) Special projects in such areas as experimenting with new methods of education in relation to public assistance program needs, production of educational materials, and organized inservice training programs to serve as a model for States for improving self competence in specific areas—for example, working with unmarried mothers.

While many of the present staff available to the program—administrative and social welfare staff—can be trained through short-term courses and seminars to provide many of the services required by the recipients, improvements must

be made in the availability of professionally trained staff to the program. This problem is quite serious. For example, only 1 percent of the 25,000 caseworkers in the public-assistance programs now have full professional social work education—or 1 fully trained worker for each 23,000 recipients.

Professionally trained staff is essential if we are going to deal with the most difficult problems found in public assistance, particularly in families with dependent children, where illegitimacy, broken homes, parental misbehavior and other deep-rooted problems exist. The need for professionally trained personnel was a major concern of the Advisory Council on Public Assistance established at the request of Congress several years ago. In its report to Congress in December 1959, the Council noted that public assistance agencies are handicapped in competing with other social work agencies for trained personnel because of the relatively large and difficult workloads its workers must carry. The Council also stated, "Some persons are accepted and remain on public assistance for want of intensive effort directed toward solving their employment, family housing, emotional, or physical health problems." It takes professional training, skill, and experience to help human beings in trouble, and such skills should be made more plentiful. But, in a survey of social welfare manpower, made in 1960 by the Bureau of Labor Statistics in cooperation with the Bureau of Public Assistance and the Children's Bureau, the scanty supply of trained social welfare personnel was reaffirmed. Only 13 percent of the administrative and supervisory personnel in public assistance agencies have full professional training.

The public assistance field at the present time has approximately 35,000 individuals in administrative, supervisory, and caseworker positions, a very high proportion of whom are what would be called in a scientific field, technical assistants. It seems apparent that any program requiring the sort of skill and judgment in human relations necessary to administering services to troubled people needs a reasonable proportion of persons with special skills and ability. Funds for academic training offer an important method of replenishing the reservoir of skilled persons by providing graduate training for persons in public welfare programs to discharge responsibilities requiring high skill and judgment.

Included in our estimate is \$1 million for academic training. Arrangements would be made with selected universities to provide traineeships and to help with the cost of education—for example, teaching staff in graduate schools of social work will need to be expanded to assure that sufficient academic resources exist for handling increased enrollments, including educational leave financed through matching funds by State agencies. It is estimated that approximately \$600,000 will be used for financing about 200 traineeships at an estimated average of \$3,000 each; and that another \$400,000 will be used for financing 40 teaching positions, estimated at \$10,000 each.

Mr. Chairman, the several types of planning I have been discussing represent, in our judgment, positive and progressive action to increase the supply and to improve the capability of welfare personnel available to the public assistance programs. The funds sought in this budget request will provide the means for translating these plans into reality. I hope the committee shares my views on the urgency of doing more to overcome the interrelated problems of too much dependency and too little know-how on ways of alleviating it.

That concludes my statement; I shall do my best to answer any questions you may have.

ASSISTANCE FOR REPATRIATED U.S. NATIONALS

Mr. HURLEY. An appropriation of \$500,000 is requested to provide assistance to U.S. citizens who are returned from abroad.

Before such assistance can be provided, the name, citizenship, and reason for return for each person must be certified by the Department of State.

A. Public Law 86-571, enacted in July 1960, authorizes the Department to provide for reception and hospitalization in the United States of U.S. nationals who must be returned from foreign countries because of mental illness.

B. Public Law 87-64, enacted in June 1961, as amended by Public Law 87-543, July 25, 1962, which added a new section to the Social Security Act placing responsibility upon the Department for develop-

ing plans and arranging for temporary assistance and care to U.S. citizens and their dependents who are returned from foreign countries because of destitution, illness, war, threat of war, invasion, or similar crisis.

Of the \$500,000 requested for 1964, \$333,000 is estimated for mentally ill repatriates, \$112,500 for repatriates from Cuba, and \$54,500 for repatriates from countries other than Cuba.

This represents an estimated increase of \$98,000 over the funds appropriated for 1963 for carrying out these two laws.

The mentally ill segment of the program accounts for \$75,000 of the estimated increase in 1964 primarily due to more referrals expected in 1964 as a result of more awareness of the program by U.S. Embassies abroad.

The budget request for assisting citizens repatriated for reasons other than mental illness is broken down between repatriates from Cuba and those coming from other countries.

The costs for both groups include maintenance, medical care, transportation, and other services, and for the administrative costs of the Florida Department of Public Welfare in administering assistance to repatriates from Cuba.

Relaxation of the tension generated by the Cuban crisis in October 1962 is expected to reduce the number of repatriates from Cuba.

A decline in caseload from a monthly average of 42 in 1963 to 30 in 1964 is contemplated among the repatriates receiving assistance in Florida, which will be partially offset by a small increase in the number needing assistance in other States.

The cost of assisting this group of repatriates is estimated at \$112,500 in 1964, a reduction of \$7,500 from 1963.

An increase also is estimated in the cost of assisting non-mentally-ill repatriates from countries other than Cuba, due to an expected increase in the number of referrals from the Department of State as the U.S. Embassies and consulates become better informed of the existence of the program.

It is expected that the number of cases requiring assistance, including hospitalization and nursing home care, will be 86 in 1964 as compared with 43 cases estimated for 1963.

The total amount estimated for this category of repatriates is \$54,500, an increase of \$30,500 over 1963.

We administer both laws with the cooperation of State welfare departments who act as agents of the U.S. Government in determining residence, availability of resources, and in receiving and arranging for necessary care.

Mr. Chairman, that concludes my statement.

Mr. FOGARTY. You may proceed with your statement on salaries, and expenses.

SALARIES AND EXPENSES

Mr. HURLEY. The Bureau of Family Services is responsible for administration of a \$3 billion public assistance grants program for 7 million needy persons. Last July, the Social Security Act was substantially broadened by the passage of the Public Welfare Amendments of 1962.

INCREASED POSITIONS

A supplemental request is currently pending for 95 additional positions over and above the currently authorized staff of 393, to carry out the increased workload of the Bureau directly attributable to these amendments.

There are some 14 substantial and diversified amendments included in this latest legislation which introduce some of the most far-reaching changes in the public assistance program since enactment of the Social Security Act in 1935.

Our request for fiscal year 1964 is for \$5,400,000, to continue the 488 positions budgeted this year plus 31 additional positions, a total of 519.

The request for 31 additional positions relates to urgently needed staff to bolster Bureau activities in 3 basic areas of responsibility: medical care administration, the administrative review of State and local operations, and the strengthening of program research.

WORKLOAD INCREASES

These positions are for essential work in relation to the progression of increases in Bureau responsibilities and workload over the years, particularly in connection with the medical care legislation of 1960.

Other major program changes over the years have also increased the Bureau's workload. Thus, in 1964, the Bureau must deal with stepped-up workloads in relation to the new amendments as well as many other program matters.

The increase requested in the medical area relates to Bureau responsibility for formulation of policy and standards, and for consultation and studies related to the medical aspects of the various program categories.

This is a growing and very important segment of our program. Total Federal funds annually spent on vendor payments for medical care for recipients were nearly \$400 million, or one-sixth of the total Federal grant program in fiscal year 1962.

Current staffing provides only one medical consultant outside of headquarters.

For 1964, we are requesting funds to add five more regional medical consultants to our staff.

With the considerable expenditures for medical care plus the growing expansion of States' participation in the Kerr-Mills program, we believe it is essential that more Federal personnel be available in this program area.

The 10 additional positions requested to strengthen the research and analysis area relate to a need to have more evaluative information on basic program operations such as social causes and consequences of dependency, interprogram relationships, medical coverage, and needs of recipients.

The 16 positions requested to expand the administrative review of State and local operations is to permit placing much more time and emphasis on the review of eligibility of recipients as well as to cover additional aspects of the program such as medical care and the provision for services added to the program by the recent public welfare amendments.

Mr. Chairman, the public assistance programs not only involve very large sums of money, but their administration which affects the well-being of several million persons is complicated since it involves several levels of Government and the use of many skills and facilities.

The plight of many of the recipients is real and disturbing.

All levels of government need to do more to improve these programs, to work toward improving the conditions of the recipients, and to reduce the need for assistance wherever possible by restoring individuals to useful, productive lives.

The Bureau of Family Services needs sufficient resources if it is to carry out its responsibilities in providing (1) leadership, interpretation, and guidance to the States; (2) assurance of proper and efficient administration; and (3) facts on which to base more effective new methods and action programs.

PREPARED STATEMENT

Mr. FOGARTY. Place your prepared statement in the record at this point.

(The prepared statement follows:)

SALARIES AND EXPENSES, BUREAU OF FAMILY SERVICES

INTRODUCTION

The Federal and State Governments share responsibility for providing financial assistance, welfare services, and medical care, to approximately 7 million persons through 5 programs: old-age assistance, medical assistance for the aged, aid to families with dependent children, aid to the blind, and aid to the permanently and totally disabled. The Bureau of Family Services is the operating unit of the Welfare Administration immediately responsible for administering these five types of grant-in-aid programs. The Bureau is also responsible for participating in studies and making recommendations as to the most effective method of providing economic security to needy people.

The past year has been marked by very significant developments affecting the programs and organization of the Bureau of Family Services resulting from both legislative and administrative actions. Although the public assistance titles of the Social Security Act have been extended and strengthened by almost every Congress since the original act was passed in 1935, an unprecedented amount of legislation affecting these titles was passed in the last 2 years.

The Public Welfare Amendments of 1962, providing for some 14 substantial and diversified changes to improve the public assistance programs, increased considerably, the workload and responsibilities of the Bureau of Family Services. Thus, for 1963 and 1964, the Bureau must add the implementation of these newest amendments to other top priority work such as that concerned with other recent legislation, with the numerous administrative directives issued by the Secretary of Health, Education, and Welfare since December 1961, and to the special nationwide review of eligibility in the program of aid to families with dependent children.

IMPLEMENTING RECENT LEGISLATION

Public Welfare Amendments of 1962.—These amendments are generally hailed as a "major breakthrough" in public assistance. The President said, in approving the amendments: "The new legislation marks a real turning point in the Nation's effort to cope realistically and helpfully with pressing welfare problems." These amendments, together with the closely allied administrative changes instituted by the Department, will, as in 1963, be the major focus of Bureau activities in 1964.

In general, the new legislation makes available more Federal funds for rehabilitation of recipients and for the training of caseworkers in the skills and services needed to help free families from reliance on public assistance. The amendments authorize Federal funds to States for community work and training projects and provide useful new incentives for job seeking by those capable of work.

Special protection is provided against abuses in money management that have caused criticism of the dependent children's program. A provision for demonstration projects is included in the new legislation to permit experimentation by the States and localities in improved methods of program operations; the Secretary of Health, Education, and Welfare, is authorized to waive requirements for statewide uniformity for constructive pilot projects. These amendments express the congressional conviction that public assistance can and will do more to rehabilitate dependent individuals and to lessen or prevent continuing dependency. They require the concentrated efforts of staff at the Federal, State, and local levels to achieve maximum results in helping dependent people to become more self-reliant. The Bureau needs to provide the leadership, interpretation, and guidance necessary for assuring that the goals of the 1962 amendments become reality.

Implementation of the 1962 legislation presents new opportunities in public welfare and a challenge to the Federal, State, and local staff administering these programs. A joint approach by the Bureau and the States in implementing these amendments is necessary if the needy people of the country are to benefit, as intended, from the legislation enacted in their behalf and if we are to work toward the goal of achieving maximum results in helping dependent people to become more self-reliant and in eliminating abuses that may have crept into the public assistance programs. Although the 1962 welfare amendments became law on July 25, 1962, the supplemental appropriation bill considered by the Congress last fall, which was intended to provide funds for their implementation, failed of enactment. As a result of this, there has not been sufficient Bureau staff to adequately handle the most urgent work related to new legislation, and progress has been most limited.

Only the most basic policies essential for States to begin developing plan material have been issued, and these are not yet completed. Many additional policies and standards and guide materials must be developed by the Bureau for most of the amendments. Counseling and other technical assistance must be furnished to individual States and on a nationwide basis on methods of carrying out the amendments and assuring that appropriate attention is devoted to achieving program goals and improved administration. In this process, it will be necessary to interpret and define all the requirements in the Social Security Act.

Most of the amendments require submittal of plan material by the States and action by the Bureau on the plans submitted. Such action must be in terms of ultimate approval or disapproval. However, much consultation and exchange of views is inherent in the process. Moreover, general consultative services and advice on conformity of State programs with Federal requirements is a continuing responsibility. Functions such as providing information, answering inquiries, making grants, and obtaining and compiling program data were consequently greatly expanded by the amendments. This requires that more staff be available for these purposes.

The statistical reporting area, including related program analysis work, is another significant activity that must be considerably expanded. Following changes made by the States in the operations of their programs, the Bureau must also extend its review of actual State and local practice to the new program elements.

A supplemental request for 1963 is now pending to enable the Bureau to proceed to develop policy and operating procedures, carrying out the day-to-day operations, and to provide the stimulation and guidance and other kinds of assistance that should be available for the completely new measures—and opportunities—that now exist for creating a new image of public welfare. The request before Congress is for the same number of positions as approved last year in the bill that did not finally pass.

Medical care.—Concentrated attention continues to be necessary on consideration of policy issues and development of information, guide, and policy materials relating to provisions of the 1960 Social Security Amendments (Public Law 86-778), which established the new program of medical assistance for the aged and provided a basis for further improvement in medical care for old-age assistance.

The 1960 amendments relating to medical care in public assistance called for the development of guides and standards on the level, content, and quality of medical care and services, and revision of such materials as indicated from time to time, for use of the States in evaluating and improving their medical care programs. Additional policy and policy revisions continue to be required to reflect operating experience and other refinements as program changes have

progressed. These materials relate to many areas of responsibility such as eligibility, staff development, administrative and fiscal management, statistical and research activities. Counseling and other technical assistance to State agencies continues to be required on methods of carrying out the amendments. Functions such as providing information, answering inquiries, making grants, and obtaining and compiling program data were greatly expanded by the amendments.

The administrative review of actual State and local practice under the new program elements is also required.

OTHER PRIORITY WORK

Review of eligibility in program of aid to families with dependent children.—Currently, the highest priority work of the Bureau is the special review of eligibility of recipients receiving aid to families with dependent children which was requested by the Senate Appropriations Committee. An advisory committee of nationally representative organizations and individuals assisted in development of the review plan. Each State public assistance agency, under the general direction of the Bureau of Family Services, is conducting the review within the State. The State agency will prepare an analysis of the results. At the request of the Senate Appropriations Committee, staff of the General Accounting Office is participating in the study. Fieldwork began January 28. The Federal staff in each State will consult with State staff on problems and interpretation, observe and check the State review activities and processes throughout the review, and spot check cases in the States' samples for quality control purposes. A national report assembling the States' findings will then be prepared by the Department.

Other areas.—There will continue to be many other areas in which significant work on various aspects of the public assistance programs will be undertaken. Continuing day-to-day work in numerous program areas as well as administrative matters will continue to absorb a very great proportion of Bureau resources in 1963 and 1964. In 1963 and 1964, concentrated work must continue to help States achieve improvements in their programs.

Considerable Bureau activities have been, and will continue to be, devoted to special problems of the aging. For example, there is need to develop an informational document on State planning to help older people return to their communities. With the increasing emphasis on housing for older citizens, a joint Task Force on Health, Education, and Welfare Services and Housing was set up by the Secretary of HEW and the Administrator of the Housing and Home Finance Agency. A Bureau representative has been assigned as cochairman (DHEW) for the joint task force. The task force seeks to identify needs of these older citizens in public housing and also select public housing sites for demonstration and research projects to show and to appraise what can be accomplished by providing a wide range of services through Federal, State, and local actions.

The need to place more emphasis in the area of State and local staff development is particularly significant in view of the recent amendments which place heavy emphasis on services to recipients. The Bureau will continue to emphasize with State agencies the importance of having professionally trained staff in supervisory, administrative, and consultative jobs, and in the establishment of special caseloads to deal with serious problems such as those found in aid to families with dependent children. The need for agency inservice training programs will be highlighted with the focus directed toward achieving the goals of the various public assistance programs in relation to the level of staff skills now available for providing welfare services in each State agency.

Special attention must continue to be directed to improving State and local administration. Cooperative relationships with other governmental agencies (including those within this Department) and with various national voluntary agencies and groups will be expanded to the extent possible because of contributions these agencies can make to the Bureau's effort to achieve improvements in the public assistance programs.

BUDGET REQUEST FOR 1964

The budget request for 1964 is for 519 positions and \$5,400,000. It provides for financing the continuation of the 1963 staff of 488 positions, including the 95 positions now pending before the Congress in the 1963 supplemental appropriation bill for work related to the 1962 welfare amendments. An increase of 31 positions is requested in 1964 for 3 areas of responsibility in which additional staff

are urgently needed in the public assistance program. While affected by the new amendments, this increase is more related to basic program responsibilities that have not been adequately covered. The 3 areas for which these 31 new positions are requested in 1964 are briefly discussed below.

1. *Administrative review of State and local operations.*—An increase of 16 positions is requested to strengthen and expand the administrative review of State and local operations relating to eligibility determinations and overall program performance in such areas as welfare services, staff development, exemption of earned income in the AFDC program, fraud procedures medical care administration, etc. The administrative review is the primary method relied upon by the Bureau to obtain knowledge on actual practice and operations in public assistance administration in order to assure that the programs are being carried out in conformity with Federal law and requirements and the State plan. Findings from the review also serve another purpose—helping States improve their operations in areas of weakness identified in the review process. There are now approximately 240 categorical programs in 54 jurisdictions and 3,200 political subdivisions and for each program the basic requirements as well as a diversified pattern or subject areas now found in public assistance administration should be examined periodically through the administrative review.

There has recently been considerable congressional and public concern about eligibility of recipients for public assistance, particularly in the dependent children's program. Experience gained from the nationwide review now being made of eligibility in this program will be carefully analyzed and evaluated to determine the best manner in which to assure proper eligibility determination on a continuing basis.

2. *Strengthening program research.*—An increase of 10 positions is requested to strengthen and improve research activities related to public assistance. There is an acute need for additional Bureau staff in the research area to obtain and analyze additional information as to the effect of the new legislation. The principal subject areas for which research staff increases are requested are in the areas of medical care, demographic studies, interprogram relationships, and welfare services.

3. *Medical care administration.*—An increase of 5 positions is requested to strengthen medical care administration in public assistance, especially by providing leadership and technical advisory services to State welfare departments in the development of medical care and personal health services programs. Many requests are received from the States for assistance which cannot be met because of lack of staff.

Funds—\$20,000—are also requested for carrying out the directive in the Public Welfare Amendments of 1962 to appoint a Public Welfare Advisory Council in 1964 to review and make recommendations on the Federal-State public assistance programs and child welfare service and to study the relationship between the public assistance and the old-age, survivors, and disability insurance programs.

Mr. Chairman, the public assistance programs not only involve very large sums of money, but their administration which affects the well-being of several million persons is complicated since it involves several levels of government and the use of many skills and facilities. The plight of many of the recipients is real and disturbing. All levels of government need to do more to improve these programs, to work toward improving the conditions of the recipients, and to reduce the need for assistance wherever possible by restoring individuals to useful, productive lives. The Bureau of Family Services needs sufficient resources if it is to carry out its responsibilities in providing (1) leadership, interpretation, and guidance to the States; (2) assurance of proper and efficient administration; and (3) facts on which to base more effective new methods and action programs.

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Mr. FOGARTY. Thank you, Mr. Hurley.

Under grants to States for public assistance, the appropriation for 1963 is \$2,538,300,000 and a request for a supplemental appropriation of \$210 million is pending.

Mr. HURLEY. That is right.

Mr. FOGARTY. The request for 1964 is \$2,900 million, an increase of \$151,700,000 even if the full amount of the supplemental request is granted.

EFFECT IF SUPPLEMENTAL FAILS

What happens if you do not get this \$210 million?

Mr. HURLEY. If we do not get the \$210 million we will not be able to make our advances to the States for the month of June.

Mr. FOGARTY. So every State would be affected?

Mr. HURLEY. Every State would be affected.

Mr. FOGARTY. This is on a matching basis. Whatever the States come up with under the law we have to match.

Mr. HURLEY. We have to match it.

CHANGES IN LAW AFFECTING FUNDING

Mr. FOGARTY. Would you explain the changes in the law that affect the fund requirements?

Mr. HURLEY. Well, we have a number of changes that have been made in the law.

Mr. FOGARTY. Give us two or three of the highlights and then put them all in the record for us.

Mr. HURLEY. All right.

One of the changes in the law was the addition of the second parent in the program of AFDC. We have several others that I think should be included in here.

One is that we extend, for another 5 years, the program of aid to families with dependent children to include the children of unemployed parents and, also, that we make the temporary provision for foster care permanent.

The matching funds for assistance were increased by this legislation and there is about a \$4 increase per recipient per month which is added to the adult program costs.

There is also the provision for social services to be matched at a rate—on prescribed services—of 75 percent instead of the usual 50 percent.

These are the areas which have had the substantially greater costs. (The requested detailed statement follows:)

EXPLANATION OF CHANGES

Public Welfare Amendments of 1962.—These amendments provide the means for an all-out effort to strengthen family life, rehabilitate those persons who have the capacity for self-support, and improve the level of self-care among the others. They not only encourage the States to provide the kinds of services which can best deal with dependency by substantially increasing the Federal Government's contribution to the costs of making these services available, but also raise the Federal share of financial aid to needy persons. The amendments will cost more in 1964 than in 1963 because most of the provisions do not become effective until the second quarter of 1963, and, in addition, those States that need to take legislative action to implement some of the changes will have had time to do so by 1964.

Under a 1961 law States could extend their programs of aid to families with dependent children to include children of an unemployed parent. This provision which expired June 30, 1962, was continued for 5 years. Improved economic conditions in 1964 are expected to result in a small net reduction in the number of persons aided because of unemployment despite the adoption of the provision by additional States. In these families, as well as those in which a parent is

incapacitated, the second parent may be included in the payment with Federal financial participation, under the new legislation. Previously, the payment in which the Federal Government shared counted only the children and one responsible relative, usually the mother. The increase in the child population is expected to add more families with an incapacitated parent to the rolls, however, than the decrease in the number of families being aided because of unemployment.

The temporary \$1 increase in the Federal share of monthly payments in old-age assistance, aid to the blind, and aid to the permanently and totally disabled, also voted in 1961, was made permanent and an additional increase of about \$4 a month was made available beginning October 1, 1962. In another area the 1962 amendments permit States to simplify administration by having a combined single plan for these programs and medical assistance for the aged, instead of four separate categories. About half the States are expected to have this provision in effect for the full year year 1964 compared with only 3 months of 1963. The 1962 amendments encourage old-age assistance recipients to contribute to their own support by permitting States to disregard a maximum of \$30 a month in earned income when determining the size of the assistance payment. This amendment is effective on January 1, 1963.

In determining the amount of aid needed in any category, States have been encouraged, but not required, to consider the expenses of employment of recipients who have jobs, such as costs of transportation or special clothing. Effective July 1, 1963, such action is required. The Federal cost of this provision is estimated at \$7 million for the fiscal year 1964.

To encourage States to provide social services that will help dependent persons achieve greater self-support and family stability, the Federal Government is authorized as of September 1, 1962, to pay 75 percent of the costs of those services which are specified by the Secretary. It will continue to pay 50 percent for nonspecified services and other administrative costs. The provision of preventive and rehabilitative services is expected to increase in 1964 as States increase the average number of persons working in public assistance. In order to help their employees to provide social services, it is anticipated that States will greatly expand their training activities. The Federal share of staff training has also been raised from 50 percent to 75 percent under the new legislation.

Administrative actions.—The Secretary of Health, Education, and Welfare took certain administrative actions to strengthen and improve the effectiveness of the public assistance programs. The major change involving additional expenditures from Federal funds is the extension of the programs to include needy persons on conditional release from mental institutions. This policy change will cost more in 1964 than in 1963 because of an estimated increase in the number of persons who will be released during 1964.

Program costs exclusive of legislative and administrative changes.—If it were not for the legislative and administrative changes described above, assistance payments for old-age assistance and aid to the blind would decrease because of a continuation of the decline in the number of recipients under these programs. In contrast, assistance payments for medical assistance for the aged, aid to families with dependent children, and aid to the permanently and totally disabled are expected to increase as the number of recipients and average monthly payments continue to rise. Payments for medical assistance for the aged will go up as more States initiate a program and as States with programs in 1963 expand them. The projected increase in the number of recipients of aid to families with dependent children (53,500) is less than the 75,000 increase in recipients that could be expected from the growth of the child population. The increase in the number of recipients of aid to the permanently and totally disabled represents a slowing down of the growth of this program.

The increase in the cost of administration, services, and training is the same as the annual rise that has taken place in recent years.

AVERAGE PAYMENTS BY STATES

Mr. FOGARTY. What about the average assistance payments? Is our favorite State of Virginia still the lowest State in the Union?

Mrs. WEST. No; sometimes somebody edges it out.

Mr. FOGARTY. What States are lower in payments for old-age assistance?

Mrs. WEST. Mississippi had an average old-age assistance payment of \$34.63, and I think it is the only State that is below Virginia, Guam, Puerto Rico, and the Virgin Islands had lower payments.

The average payment in old-age assistance in Virginia was \$55.60.

Mr. FOGARTY. What is North Carolina?

Mrs. WEST. North Carolina's monthly payment, \$53.82.

Mr. FOGARTY. Lower than Virginia?

I am sorry I asked that question on the record, Dr. Winston.

Dr. WINSTON. We help more people.

PAYMENT LEVEL REQUIRED FOR EXISTENCE

Mr. FOGARTY. What is the existence level?

How much does it cost to just exist?

Mrs. WEST. I do not know. I do not think anyone has ever figured that out State by State.

Mr. FOGARTY. We have had discussions about it.

Mr. WYNKOOP. We used to have a budget for a single aged person, a married aged couple, and so forth.

But we have not had those in the last several years.

This is one of the things that we have in mind to do.

Mr. FOGARTY. Did somebody from Virginia or North Carolina get to you?

Mr. WYNKOOP. No, sir.

Dr. WINSTON. We have asked BLS to do some statistics, to do some studies for a minimum budget, and we think at least that is going to give us some better basis for evaluation.

FAMILY BUDGET

Mr. FOGARTY. Do you have any figures on a family of four?

Mrs. WEST. Not offhand.

We can supply the information that is available that relates to these questions.

(The information follows:)

The material referred to follows: Additional material directly relevant to the question raised by the chairman also is included as follows: (1) the BLS interim budget for a retired couple and (2) the financial circumstances of recipients of old-age assistance in 1960.

[From the Monthly Labor Review, August 1960, Reprint No. 2346; Department of Labor, Bureau of Labor Statistics]

THE INTERIM CITY WORKER'S FAMILY BUDGET

The purpose and methods used in the interim revision—The quantities of goods and services in the budget—its cost in 20 large cities, autumn 1959.

(Helen H. Lamale and Margaret S. Stoltz¹)

ORIGIN OF BUDGET AND PURPOSE OF REVISION

The city worker's family budget was originally developed by the Bureau of Labor Statistics in 1946-47 at the request of the Congress and with the assistance of a technical advisory committee. It relates to a family of four persons, con-

¹ Of the Division of Prices and Cost of Living, Bureau of Labor Statistics. Major contributions to the pricing of the budget were made by Ethel D. Hoover, Doris P. Rothwell, Vincent E. Covins, and Fay M. Bean.

sisting of an employed husband, aged 38, with a wife not employed outside the home and two children, a girl aged 8 and a boy aged 13, who live in a rented dwelling in a large city or its suburbs. It was designed to estimate the dollar amount required to maintain such a family at a level of adequate living, according to prevailing standards of what is needed for health, efficiency, the nurture of children, and for participation in social and community activities—a level of living described as “modest but adequate.” Estimates of its cost were published for 34 large cities as of March 1946, June 1947, October 1949, October 1950, and October 1951.² The Bureau discontinued pricing the original budget after October 1951 because the quantities and qualities of goods and services included in that budget were based on the pattern of living and standards prevailing in the period before World War II, as determined from expenditure studies made in 1934–36 and 1941.

Commenting on the standard of living prescribed for the budget, the technical advisory committee stated in its report:

“Such a budget is not an absolute and unchanging thing. The prevailing judgment of the necessary will vary with the changing values of the community, with the advance of scientific knowledge of human needs, with the productive power of the community and therefore [with] what people commonly enjoy and see others enjoy.”³

There is ample evidence of a large increase in purchasing power and in the levels and standards of living of American families since prewar years.⁴ Trend data on incomes of nonfarm families and consumer prices indicate that average family purchasing power has increased by 75 percent or more since the late thirties. This increase alone has affected prevailing standards of living appreciably. Because of this and the many other changes in consumer markets and buying habits, the list of goods and services developed for the original budget no longer described a “modest but adequate” level of living in accord with prevailing standards and did not provide a valid basis for estimating the cost of the budget in current markets.

The purpose of the present revision was to develop a new list of goods and services which would more nearly reflect a “modest but adequate” level of living in terms of standards prevailing in the 1950's. The goods and services included in the revised budget, as in the original, were, insofar as possible, determined on the basis of recognized scientific standards, with the selection among the various items meeting the standard based on actual choices of families. Where scientific standards did not exist, the quantities and kinds of goods and services were derived by statistical analyses of postwar consumption data, which define an adequate standard based on the collective judgment of the families.

The revision was undertaken on the assumption that there could be no change in the basic concept and general procedures or in the size, age, composition, and living arrangements of the family for which the budget was originally designed.⁵ Because this revision was limited to changing the list of goods and services and did not include a reappraisal and revision of the previously used concept, definitions, and general procedures, it is considered an “interim revision.” A more comprehensive revision of the budget is needed and has been proposed when data from the Bureau's 1961–62 consumer expenditure surveys become available.⁶ Such a revision could not, however, be completed before 1964 at the earliest.

² March 1946 and June 1947—The City Worker's Family Budget (in *Monthly Labor Review*, February 1948, pp. 133–170) and Workers' Budgets in the United States: City Families and Single Persons, 1946 and 1947 (BLS Bull. 927, 1948); October 1949 and October 1950—Family Budget of City Worker, October 1950 (in *Monthly Labor Review*, February 1951, pp. 152–155; reprinted as BLS Bull. 1021); and October 1951—City Worker's Family Budget for October 1951 (in *Monthly Labor Review*, May 1952, pp. 520–522).

³ *Monthly Labor Review*, February 1948, op. cit., p. 137.

⁴ Faith M. Williams, “Standards and Levels of Living of City-Worker Families” (in *Monthly Labor Review*, September 1956, pp. 1015–1023); “How American Buying Habits Change” (U.S. Department of Labor, 1959); “U.S. Income and Output” (U.S. Department of Commerce, Office of Business Economics, 1958); and Selma F. Goldsmith, “Size Distribution of Personal Income, 1956–59” (in *Survey of Current Business*, April 1960, pp. 8–15).

⁵ For detailed description, see *Monthly Labor Review*, February 1948, and BLS Bull. 927, op. cit.

⁶ See “City Worker's Family Budget and the CPI” (in *Monthly Labor Review*, September 1959, pp. 967–972).

THE BUDGET LEVEL AND THE HOUSEHOLD

The "modest but adequate" level of living described by this budget standard is neither a "minimum maintenance" nor a "luxury" level. The budget does not show how an "average family" actually spends its money; neither does it show how a family should spend its money. Rather, it is an estimate of the total cost of a representative list of goods and services considered necessary by four-person city families of the budget type to maintain a level of adequate living according to standards prevailing in large cities of the United States in recent years.

The autumn 1959 costs of the revised budget reflect both the very much higher standard of living which has prevailed in the 1950's, as compared with prewar years, and the increase in prices since the budget was last priced in 1951. The total cost of goods and services for 1959 is approximately 40 percent higher than the amounts for these same cities in 1951, with some variation from city to city. More than half of this change represents the increase in the standard of living which has occurred during the postwar period.

The budget's provisions for maintenance of health and efficiency and participation in social and community activities mean that the level of living represented by this budget must be above a minimum, in the usual narrow sense of that term. On the other hand, it is below the average level enjoyed by American families, as an examination of items and quantities represented in the budget will disclose. Comparisons of median or average incomes with the total budget costs also indicate that the budget represents a level of spending below the average for families of this type. Data on the current income of such families are not available, but the average income before taxes of budget-type families (that is, four-person, one-earner) in large cities and their suburbs in the BLS survey for 1950 was \$4,838. If allowance is made for the known underreporting in this survey and the trend in income of nonfarm families, published by the Department of Commerce,⁷ and similar family income data are used to estimate the 1959 income before taxes of budget-type families, a conservative estimate of their average 1959 income is \$7,000, and a more likely average would be about \$7,500.

Although there has been a substantial increase in homeownership among city families at all income levels since prewar years, resources available for the interim revision of the budget did not permit the development of satisfactory concepts, procedures, and data for defining comparable dollar estimates of budget costs for homeowners. The budget assumes the family lives in a separate rented house or apartment, that there are no lodgers or cotenants, and that the husband has no dependents other than his wife and children. The dwelling which meets the standard for a family of this age and composition consists of five rooms (including kitchen) and a bathroom. (See detailed specifications on p. 806.) The wife does all the cooking, cleaning, and laundry without paid help, and the home is equipped with the housefurnishings and mechanical equipment usually considered to be household necessities, such as gas or electric cook stove, mechanical refrigerator, and washing machine. The budget assumes the family has an average inventory of such furnishings and equipment and purchases some items each year to maintain this inventory. Thus, the quantities of these items specified for the budget are primarily replacement rates, plus such acquisition rates as are customary for established families at this age level.

COST OF BUDGET IN 20 LARGE CITIES

The total annual cost of the revised list of goods, rents, and services at autumn 1959 prices in 20 large cities ranged from \$4,622 in Houston to \$5,607 in Chicago. The cost was \$5,199 in Washington, D.C., the base city for intercity comparisons. When personal taxes and other costs (social security deductions, life insurance, and occupational expenses) are added, the total budget cost ranged from \$5,370 in Houston to \$6,567 in Chicago and was \$6,147 in Washington, D.C. The allowance for life insurance and occupational expenses is \$138, the same in all cities. Since the total budget in all of these cities exceeded the maximum level of withholding for Federal old-age survivors', and disability insurance, the allowance for social security deductions, \$120 is also the same. Allowances for Federal, State, and local income and personal taxes vary from city to city with the variations in both the level of the total budget and the provisions of the specific

⁷ See U.S. Income and Output and Goldsmith, *op. cit.*

laws. Among the 20 cities, personal taxes ranged from \$490 to \$782, or about 9 to 12.5 percent of the total budget cost. The costs of the major components of the budget (food and beverages; rent, heat, and utilities; and other goods and services) for each of the 20 cities are shown in table 1.

TABLE 1.—*Annual costs of the city worker's family budget,¹ 20 large cities and suburbs, autumn 1959*

City	Total budget	Goods, rents, and services				Other costs	Personal taxes
		Total	Food and beverages	Rent, heat, and utilities	Other goods and services		
Atlanta.....	\$5,642	\$4,840	\$1,514	\$1,151	\$2,175	\$258	\$544
Baltimore.....	5,718	4,850	1,525	1,004	2,321	258	610
Boston.....	6,317	5,334	1,857	1,240	2,237	258	725
Chicago.....	6,567	5,607	1,751	1,386	2,470	258	702
Cincinnati.....	6,100	5,163	1,734	1,203	2,226	258	679
Cleveland.....	6,199	5,305	1,695	1,191	2,419	258	636
Detroit.....	6,072	5,201	1,761	1,040	2,400	258	613
Houston.....	5,370	4,622	1,486	941	2,195	258	490
Kansas City.....	5,964	5,090	1,631	1,117	2,342	258	616
Los Angeles.....	6,285	5,325	1,747	1,178	2,400	294	666
Minneapolis.....	6,181	5,165	1,647	1,150	2,368	258	758
New York.....	5,970	5,048	1,853	1,013	2,182	273	649
Philadelphia.....	5,898	4,970	1,825	954	2,191	258	670
Pittsburgh.....	6,199	5,264	1,889	1,012	2,363	258	677
Portland, Oreg.....	6,222	5,182	1,746	1,046	2,390	258	782
St. Louis.....	6,266	5,271	1,694	1,298	2,279	258	737
San Francisco.....	6,304	5,341	1,795	1,079	2,467	294	669
Scranton.....	5,693	4,834	1,758	871	2,205	258	601
Seattle.....	6,562	5,602	1,844	1,293	2,465	258	702
Washington, D.C.....	6,147	5,199	1,684	1,226	2,289	258	690

¹ The family consists of an employed husband, aged 38, a wife not employed outside the home, an 8-year old girl, and a 13-year-old boy.

NOTE.—For items and quantities included in the various categories, see tables 5-8.

Relative costs of the total budget, with the cost in Washington, D.C., equal to 100, ranged from 87 in Houston to 107 in Chicago and Seattle, or 20 percentage points (table 2). Excluding these three cities, the variation in cost of the total budget among the other cities was 11 percentage points. Costs for all three major components of the budget were higher in Chicago and Seattle and lower in Houston and Atlanta than in Washington, D.C. Relative differences in costs of the three components for the other cities were varied.

The cost of the budget for food and beverages was lowest in cities in the South and highest in cities in the Northeast, ranging from \$1,486 in Houston to \$1,889 in Pittsburgh. These differences in the cost of food reflect not only differences in prices, but more importantly, differences in regional preference patterns in the choice of foods to meet the budget standard. The annual cost of food and beverages in Washington, D.C., where the U.S. pattern was used in the calculation, was \$1,684.⁸ Among the 20 cities, the cost of food and beverages varied by 24 percentage points. If Atlanta, Baltimore, and Houston, where the southern food consumption pattern was used in the budget, are excluded, the variation in cost of food and beverages among the remaining cities was 15 percentage points.

⁸ The other cities classified by region are as follows: Northeast: Boston, New York, Philadelphia, Pittsburgh, Scranton; North Central: Chicago, Cincinnati, Cleveland, Detroit, Kansas City, Minneapolis, St. Louis; South: Atlanta, Baltimore, Houston; West: Los Angeles, Portland, San Francisco, Seattle.

TABLE 2.—*Relative intercity differences in the costs of the city worker's family budget, 20 large cities and suburbs, autumn 1959*

[Washington, D.C.=100]

City	Total budget	Goods, rents, and services			
		Total	Food and beverages	Rent, heat, and utilities	Other goods and services
Atlanta.....	92	93	90	94	95
Baltimore.....	93	93	91	82	101
Boston.....	103	103	110	101	98
Chicago.....	107	108	104	113	108
Cincinnati.....	99	99	103	98	97
Cleveland.....	101	102	101	97	106
Detroit.....	99	100	105	85	105
Houston.....	87	89	88	77	96
Kansas City.....	97	98	97	91	102
Los Angeles.....	102	102	104	96	105
Minneapolis.....	101	99	98	94	103
New York.....	97	97	110	83	95
Philadelphia.....	96	96	108	78	96
Pittsburgh.....	101	101	112	83	103
Portland, Oreg.....	101	100	104	85	104
St. Louis.....	102	101	101	106	100
San Francisco.....	103	103	107	88	108
Scranton.....	93	93	104	71	96
Seattle.....	107	108	110	105	108
Washington, D.C.....	100	100	100	100	100

NOTE.—Based on table 1. For content of the various budget categories, see tables 5-8.

As in earlier studies, variations in rental housing costs were the most important factor contributing to cost differences between cities. Among these 20 cities, shelter costs represented about one-fifth to one-fourth of the total cost of goods and services. The annual cost of rent, heat, and utilities for the five-room dwelling specified in the budget ranged from \$871 in Scranton to \$1,386 in Chicago. This difference is more than one-half the difference in the total cost of goods and services among these 20 cities.

With the cost in Washington, D.C., equal to 100, these shelter costs were 71 in Scranton and 113 in Chicago, a difference of 42 percentage points. Excluding these two cities, the overall percentage difference in the cost of rent, heat, and utilities was 29 percentage points, about the same magnitude as that observed when this type of comparison was last made in October 1951. However, the relative positions of the individual cities have changed substantially. These changes reflect the wide variations that have occurred among these cities in the level and movement of rents and in the characteristics of the rental housing markets since 1951. The differential effects of rent controls and variations in the dates when they were lifted are important considerations in appraising the shifts in intercity differences in rental costs. For example, rent controls were lifted in 1949 in Houston but are still in effect for a sizable proportion of dwellings in New York City.

The cost of all other goods and services (excluding shelter and food) ranged from \$2,175 in Atlanta to \$2,470 in Chicago. Costs in Washington, D.C., were \$2,289. This component of the budget includes the cost of clothing, housefurnishings, transportation, medical care, personal care, household operation, reading, recreation, tobacco, education, gifts and contributions, and miscellaneous expenses. Together, these items generally represent about 45 percent of the total cost of goods and services, with clothing costs accounting for about 11 percent; transportation, about 10 percent; and costs of medical care, 6 or 7 percent in most cities. Differences in the cost of transportation and medical care accounted for most of the intercity differences in costs of these goods and services other than food and shelter. (See table 3.) Medical care costs were highest in Los Angeles, San Francisco, Minneapolis, and Seattle and lowest in Scranton, Cincinnati, and Atlanta. The overall difference in cost of the medical care budget was \$174. Transportation costs were lowest in Philadelphia, New York, and Boston, where greater use of public transportation was indicated by the 1950 data.

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THE BLS INTERIM BUDGET FOR A RETIRED COUPLE

The Purpose and Methods Used in the Interim Revision—The Quantities of Goods and Services in the Budget—Its Cost in 20 Large Cities, Autumn 1959

(Margaret S. Stoltz¹)

ORIGIN OF THE BUDGET

A budget for a retired elderly couple was originally developed in 1946-47 by the Social Security Administration to parallel the city worker's family budget developed by the Bureau of Labor Statistics. That budget was based on certain assumptions regarding their circumstances and manner of living. The "budget family" consisted of a husband and wife, aged 65 or over, who maintained their own 2- or 3-room rented dwelling in an urban area. The couple was assumed to be self-supporting, in reasonably good health, and able to take care of themselves. The budget was designed to represent a level of living which provided the goods and services necessary for a healthful, self-respecting mode of living, and allowed normal participation in community life according to standards prevailing in large cities or their suburbs in the United States. It provided a "modest but adequate" level of living—not a luxurious level but one adequate to provide for more than the basic essentials of consumption.

The Social Security Administration published estimates of the cost of this budget for 13 selected large cities for March 1946, June 1947, and March 1949; the BLS published cost estimates for 34 large cities based on October 1950 prices.² No cost estimates were published after 1950 because the quantities and qualities of goods and services included in the budget were based on standards prevailing prior to World War II and were not representative of the postwar standard of living. Since the war, the standard of living enjoyed by most families has increased appreciably. There also have been many changes in the goods and services available and in consumer purchasing habits.

PURPOSE OF THE REVISION

The concept of the "modest but adequate" level of living represented in the budget is applicable to any period; the list of goods and services selected to represent such a level, however, changes over time. The budget, by definition, is subject to a changing set of values and its composition must be redefined from time to time if it is to reflect changes in prevailing standards.

The purpose of the present revision of this budget by the BLS was to develop a new list of goods and services which would reflect a "modest but adequate" level of living defined by standards prevailing in the 1950's. No changes were made in the basic concept or general procedures previously used. However, in estimating the cost of two budget components—food and beverages, and transportation—methodological changes were introduced which, in effect, raised the standard of living above that provided by the original budget, as indicated later. These changes were made in order that the standard of living provided by the retired couple's budget would be comparable with that provided by the interim revision of the Bureau's city worker's family budget.³ Both revised budgets were priced in only 20 large cities instead of 34 as formerly.

¹ Of the Division of Prices and Cost of Living, Bureau of Labor Statistics.

Major contributions to the pricing of the budget were made by the research staff of the Division; staff members of the Division of Program Research, Social Security Administration, and of the Division of Household Economics Research, Institute of Home Economics, U.S. Department of Agriculture, contributed technical advice in the development of some sections of the budget.

² March 1946 and June 1947—A Budget for an Elderly Couple (in Social Security Bulletin, February 1948, pp. 3-11) and A Budget for an Elderly Couple (Social Security Administration Bureau Memorandum No. 67, March 1948); March 1946, June 1947, and March 1949—Social Security Administration Release, February 24, 1950; and October 1950—Budget for an Elderly Couple; Estimated Cost, October 1950 and Estimating a Budget for an Elderly Couple (in Monthly Labor Review, September 1951, pp. 304-306, 309-310).

³ For a detailed description of the original city worker's family budget, see workers' budgets in the United States: city families and single persons, 1946 and 1947 (BLS Bull. 927, 1948); for the revised budget see The Interim City Worker's Family Budget (in Monthly Labor Review, August 1960, pp. 785-808).

Although a more comprehensive revision of the budget is needed, such a project could not be undertaken with available resources. Since the revision did not include a reappraisal of the previously used concept, definitions, and general procedures, it is considered an "interim revisions." It is hoped that a comprehensive revision can be undertaken when data from the Bureau's 1961-62 consumer expenditure surveys become available. Such a study could not be completed, however, until 1964.

TABLE 1.—*Annual costs of the retired couple's budget,¹ 20 large cities and suburbs, autumn 1959*

City	Total budget	Food and beverages	Rent, heat, and utilities	Other goods and services
Atlanta.....	\$2,720	\$768	\$778	\$1,174
Baltimore.....	2,840	781	802	1,257
Boston.....	3,304	953	1,029	1,322
Chicago.....	3,366	819	1,067	1,410
Cincinnati.....	2,925	879	821	1,225
Cleveland.....	3,244	860	1,015	1,369
Detroit.....	3,096	899	858	1,339
Houston.....	2,641	758	694	1,189
Kansas City.....	3,084	841	942	1,251
Los Angeles.....	3,111	894	862	1,355
Minneapolis.....	3,135	846	962	1,327
New York.....	3,044	945	849	1,250
Philadelphia.....	2,909	940	754	1,215
Pittsburgh.....	3,102	956	863	1,283
Portland, Oreg.....	3,049	887	817	1,345
St. Louis.....	3,099	870	970	1,259
San Francisco.....	3,223	920	919	1,384
Scranton.....	2,681	900	595	1,186
Seattle.....	3,252	938	921	1,393
Washington, D.C.....	3,047	864	921	1,262

¹ The family consists of a retired husband and wife, aged 65 or over.

NOTE.—For costs of major components of the various budget categories, see table 2; for items and quantities included in the various categories, see tables 4-6.

THE LEVEL AND MANNER OF LIVING

The revised budget provides estimates of the cost of a healthful, self-respecting manner of living which allows normal participation in community life. Since it takes into account social and psychological as well as physical needs, it is not a "minimum subsistence" budget. Furthermore, it was not designed to represent the actual expenditure pattern of an "average" retired couple or to serve as a spending plan for an individual family.

The autumn 1959 costs of the revised budget reflect the very much higher standard of living which has prevailed in the 1950's, as compared with prewar years, the increase in prices since the budget was last priced in 1950, and the methodological changes described later. The total cost of goods and services is approximately 70 percent higher than the amounts for these same cities in 1950, with considerable variation from city to city. The increase in living standards which has occurred during the postwar period accounts for approximately half of this change. About one-third of it results from the increase in prices since 1950; the rest from the methodological changes.

The budget assumes that the couple lives alone in a 2- or 3-room rental dwelling, although renting is not the prevailing custom for such families except in very large cities and at very low income levels in other places. In the Bureau's Survey of Consumer Expenditures in 1950, 69 percent of the elderly retired couples whose expenditure patterns were analyzed in the derivation of the revised budget quantities were owners of homes, largely mortgage free. Resources available for the interim revision, however, did not permit the development of satisfactory procedures for estimating comparable housing costs for homeowners. This is one of the major problems which must be considered in a comprehensive revision of the budget, and in the use of the revised budget cost estimates.

The home is assumed to be equipped with the housefurnishings and mechanical equipment usually considered to be household necessities, such as a gas or electric cook stove, mechanical refrigerator, and small electrical appliances. The quan-

titles of these items specified for the budget are primarily replacement rates, since it is assumed that the family has an average inventory. The wife does all of the cooking and most of the cleaning and laundry. The budget, however, does allow for part of the laundry to be sent out and for occasional paid help.

The goods and services provided by the budget for both housing and food conform with scientific standards and also reflect actual choices of large-city families of this type. For other goods and services, where scientific standards do not exist, the budget level was determined by analyses of the purchasing pattern of retired elderly families.

As in the original budget, there is no provision for life insurance or income taxes. This assumes that payments on life insurance policies have been completed before retirement, and that most of the income of retired couples at this level is tax-exempt because of source and the remainder insufficient to require payment of taxes.

COST OF BUDGET IN 20 LARGE CITIES

The total annual cost of the revised list of goods, rents, and services at autumn 1959 prices in 20 large cities ranged from \$2,641 in Houston to \$3,366 in Chicago. Costs in 8 of the 20 cities for which estimates were prepared ranged between \$3,025 and \$3,125; costs were under \$3,025 in 6 cities and over \$3,125; in 6 cities. The cost was \$3,047 in Washington, D.C., the base city for intercity comparisons. The costs of the three principal components of the budget (food and beverages; rent, heat, and utilities; and other goods and services) for each of the 20 cities are shown in table 1. Costs of the various categories included in these components are shown in table 2. Relative costs of the total budget, with Washington, D.C., equal to 100, ranged from 87 in Houston to 110 in Chicago, or a spread of 23 percentage points (table 3).

The costs of rent, heat, and utilities, which represent somewhat more than one-fourth of the total, ranged from \$595 in Scranton to \$1,067 in Chicago, but costs varied less than \$125 (\$802 to \$921) among half of the cities. The intercity indexes for rent, heat, and utilities (Washington, D.C.=100) varied 51 percentage points, ranging from 65 in Scranton to 116 in Chicago. Excluding the two highest cities (Chicago and Boston) and the two lowest (Scranton and Houston), the variation in cost among the other cities was 28 percentage points.

The cost of the budget for food and beverages, which accounts for about 29 percent of the total budget costs in most cities, was lowest in cities in the South and generally highest in cities in the Northeast, ranging from \$758 in Houston to \$956 in Pittsburgh. These differences in the cost of food reflect not only differences in prices but, more importantly, differences in regional preference patterns in the choice of foods to meet the budget standard. The annual cost of food and beverages in Washington, D.C., where the U.S. pattern was used in the calculation, was \$864.⁴ Relative costs for food and beverages ranged from 88 in Houston to 111 in Pittsburgh.

The cost of all other goods and services (excluding rent, heat, utilities, and food) was lowest in Atlanta (\$1,174) and highest in Chicago (\$1,410). This component of the budget, which includes the cost of clothing, housefurnishings, transportation, medical care, personal care, household operation, reading, recreation, tobacco, gifts, contributions, and miscellaneous expenses, represents about 42 percent of the total cost of the budget. Intercity differences in the cost of this component of the budget ranged from 93 in Atlanta to 112 in Chicago.

⁴The other cities classified by region are as follows: Northeast: Boston, New York, Philadelphia, Pittsburgh, Scranton; North Central: Chicago, Cincinnati, Cleveland, Detroit, Kansas City, Minneapolis, St. Louis; South: Atlanta, Baltimore, Houston; West: Los Angeles, Portland, San Francisco, Seattle.

The U.S. pattern was used for Washington, because its population comes from all parts of the United States. Also, Washington serves as the base city in the computation of intercity indexes based on the budget.

TABLE 2. Annual costs of the retired couple's budget,¹ by major components, 20 large cities and suburbs, autumn 1959

Item	Atlanta	Balti- more	Boston	Chicago	Cincin- nati	Cleve- land	Detroit	Houston	Kansas City	Los Angeles
Food and beverages ²	\$765	\$781	\$953	\$889	\$879	\$860	\$890	\$ 58	\$841	\$804
Food at home ³	714	734	900	888	824	806	847	711	707	840
Low-cost plan	600	610	779	753	793	715	760	505	705	781
Moderate-cost plan	827	857	1,021	953	921	921	944	827	889	919
Food away from home	29	33	32	36	36	34	32	28	32	32
Housing	1,000	1,331	1,298	1,331	1,062	1,205	1,122	928	1,183	1,105
Rent, heat, utilities ⁴	778	802	1,029	1,067	821	1,015	853	694	942	862
Housefurnishings	98	103	97	100	98	99	106	99	101	107
Household operation and communications	134	162	172	164	143	151	168	135	140	137
Clothing	208	216	213	232	215	233	226	197	221	213
Husband	80	79	83	84	82	87	84	76	82	79
Wife	103	109	100	114	102	113	108	92	106	101
Clothing materials and services	25	28	30	34	31	33	34	29	33	33
Medical care	241	247	316	317	240	327	298	260	250	366
Transportation ⁵	153	180	144	195	168	170	170	161	175	166
Automobile owners	516	584	656	653	523	566	536	530	576	579
Nonowners of automobiles	51	66	61	66	67	59	66	57	62	50
Other goods and services	340	349	380	402	361	389	381	337	364	367
Reading and recreation	101	102	111	124	112	122	119	95	105	105
Personal care	75	75	73	83	75	78	79	75	81	81
Tobacco	35	37	38	35	35	35	36	41	34	33
Gifts, contributions, etc.	129	135	158	160	139	154	147	126	144	148
Total cost of goods and services	2,720	2,840	3,304	3,366	2,925	3,244	3,096	2,641	3,034	3,111
Estimated annual cost comparable in content with original budget ⁶	2,467	2,571	3,067	3,112	2,698	3,011	2,865	2,390	2,802	2,851
	Minneapolis	New York	Phila- delphia	Pitts- burgh	Portland, Oreg.	St. Louis	San Francisco	Scranton	Seattle	Washing- ton, D.C.
Food at beverages ²	\$846	\$945	\$839	\$956	\$887	\$870	\$920	\$900	\$938	\$864
Food at home ³	795	892	889	899	830	824	866	848	875	816
Low-cost plan	701	775	796	780	734	729	765	755	765	755
Moderate-cost plan	889	1,009	1,098	1,018	956	990	976	991	988	913
Food away from home	31	32	39	36	36	28	32	33	40	29
Housing	1,216	1,124	1,093	1,116	1,078	1,210	1,172	838	1,196	1,103
Rent, heat, utilities ⁴	962	849	754	863	817	970	919	595	921	921
Housefurnishings	97	99	98	104	102	96	107	105	109	95
Household operation and communications	157	176	151	149	139	144	146	138	166	147
Clothing	231	215	213	221	222	213	224	211	222	216
Husband	85	83	79	81	82	77	82	85	85	80
Wife	111	101	100	107	105	102	106	100	103	106
Clothing materials and services	35	31	34	33	35	34	36	26	34	30
Medical care	319	262	290	264	336	273	346	222	336	271

See footnotes at end of table.

TABLE 2. Annual costs of the retired couple's budget,¹ by major components, 20 large cities and suburbs, autumn 1959—Continued

Item	Minneapolis	New York	Philadelphia	Pittsburgh	Portland, Oreg.	St. Louis	San Francisco	Scranton	Seattle	Washington, D.C.
Transportation ²	\$162	\$134	\$133	\$180	\$181	\$183	\$174	\$162	\$169	\$176
Automobile owners.....	534	652	589	571	597	595	627	543	574	583
Nonowners of automobiles.....	57	50	58	69	63	66	46	55	55	61
Other goods and services.....	361	364	361	365	355	350	387	348	391	357
Reading and recreation.....	100	111	107	105	103	93	114	115	107	102
Personal care.....	75	69	79	78	78	76	86	70	91	78
Tobacco.....	37	39	37	34	29	34	34	35	38	32
Gifts, contributions, etc.....	149	145	138	148	145	147	153	128	155	145
Total cost of goods and services.....	3,135	3,044	2,909	3,102	3,049	3,099	3,223	2,681	3,252	3,047
Estimated annual cost comparable in content with original budget ³	2,906	2,812	2,684	2,842	2,792	2,858	2,949	2,429	2,990	2,770

¹ See footnote 1, table 1.² Includes small allowances for guest meals and for alcoholic beverages.³ The cost of food at home used in the calculation of the total cost of the budget is an average of the low- and moderate-cost food plans shown in table 1, including the suggested additional allowance of 10 percent for small families.⁴ Average contract rent for tenant-occupied dwellings that conform to the housing

standards specified for the budget plus the cost of required amounts of heating fuel, gas, electricity, water, and specified equipment.

⁵ Weighted average cost of automobile owners and nonowners.⁶ Costs based on the low-cost food plan, and excluding allowances for automobile owner ship and alcoholic beverages.

NOTE: For items and quantities included in the various categories, see tables 4-6.

Variation in the cost of medical care was an important contributing factor to these differences. Among these 20 cities, medical costs represented about one-fifth to one-fourth of the family's budget allowances for other than food and rent. The overall difference in cost of the medical care budget was \$144.

Except for transportation costs, relatively small differences were found for the other groups in other goods and services. Transportation costs, ranging from \$133 to \$195, were lowest in Philadelphia, New York, and Boston. In these cities, where public transportation is used more frequently by this type of family ownership of an automobile is specified for 14 percent of the families, compared with 22 percent in other cities.

The revised budget provides a standard of living comparable in concept with the Bureau's city worker's family budget, a level of living slightly higher than described by the original elderly couple's budget. This increase results from methodological changes in the calculation of the food and beverage and transportation components of the budget.

The allowance for food at home used in the calculation of the retired couple's budget is an average of the estimated cost of the low- and moderate-cost food plans of the U.S. Department of Agriculture, adjusted to provide for guest meals and to exclude meals eaten away from home. The use of the average cost of the two plans, rather than the low-cost plan as was done originally, increased the cost of food at home by \$91 to \$131, depending upon the city. The budget also includes a small allowance, about \$20 for alcoholic beverages, not previously included.

The allowance for transportation is a weighted average cost for automobile owners and nonautomobile owners, whereas the original budget provided only public transportation. The allowance for automobile ownership by a small proportion of the families increased the cost of the transportation budget by more than \$100 in most cities.

Altogether, these methodological changes increased the overall cost of the revised budget about 9 percent. Table 2 shows the estimated cost of the budget excluding these methodological changes and, therefore, more comparable in content with the original budget.

FINANCIAL CIRCUMSTANCES OF RECIPIENTS OF OLD-AGE ASSISTANCE

Requirements.—The monthly amount of requirements for an OAA recipient represented the agency's determination of the income needed to purchase the requirements considered necessary for maintaining the State's level of living established for the program. For reporting purposes, requirements represented any combination of the following:

1. Amounts included in the budget, including those for medical care, on which a money payment to the recipient was based.
2. Costs of institutional care (exclusive of short-term hospital care) of the recipient.
3. Amounts for special needs of the recipient for which all or part of his income other than assistance was allocated to enable him to meet such needs.

Income other than assistance.—Monthly income other than assistance included (a) cash income, such as OASDI benefits and contributions from children, received by the OAA recipient or by a person whose personal requirements were included as expenses of the recipient, and (b) the money value assigned to items received in kind and considered as income in the assistance plan. Because income, if any, of persons other than recipients was included, the averages shown are slightly higher than average amounts received by the recipients themselves.

OAA payments.—OAA payments included money payments to recipients and payments to institutions (including nonmedical institutions) for institutional care of the recipient. Vendor payments for medical care other than payments to nursing and convalescent homes and other medical institutions were excluded.

Unmet need.—Unmet need represented the difference, if any, between total requirements (as defined above) and income from all sources, including the OAA payment and any general assistance payment. For States with maximums on OAA payments, an unmet need resulted for any recipient having a budget deficit (requirements less income other than assistance) in excess of the applicable maximum, unless the difference between the budget deficit and the OAA payment was met by supplementary general assistance. A few States did not have maximums, but reduced OAA payments on a percentage basis; in these States, each recipient usually had an unmet need of a specified percent of his budget deficit.

The average amount of unmet need per recipient should be interpreted in relation to the extent of the assistance responsibility a State had set for itself to meet through money payments in the OAA program. For example, if State A had defined a relatively high level of responsibility for the program but was able to meet only a limited portion of that responsibility, a relatively high unmet need per recipient may have resulted. The level of living actually provided for OAA recipients, however, may have been higher than in State B, which defined a lower assistance responsibility, but was able to meet essentially all that responsibility. State B may have shown a low average unmet need, or even no unmet need.

Table 1 presents data on the foregoing items for all recipients of old-age assistance, and table 2 for recipients who are members of couples both receiving old-age assistance.

TABLE 1.—Old-age assistance recipients: Average monthly amount per recipient of requirements, income by type, and unmet need, by State, selected month, July–September 1960

State	Total recipients	Requirements	Available income ¹					Unmet need	
			Total	Net cash income other than assistance	Income in kind with money value assigned	OAA payments	Supplementary general assistance agency payments	Amount	Percent of—
Total.....	2,336,696	\$84.63	\$80.74	\$17.18	\$0.80	\$62.63	\$0.13	\$3.90	4.6
Alabama.....	99,139	78.63	66.94	10.75	3.47	52.72	.....	11.70	14.9
Alaska.....	1,432	93.56	93.04	18.13	4.17	65.25	5.49	.....	.....
Arizona.....	13,977	83.99	79.07	17.91	.....	61.16	.....	4.92	5.9
Arkansas.....	55,781	61.66	58.77	8.54	.73	49.50	.....	2.88	4.7
California.....	254,401	125.72	117.90	32.56	1.79	83.30	.25	27.82	6.2
Colorado.....	50,809	110.09	110.09	21.91	3 1.54	86.65	.....	.....	.....
Connecticut.....	14,065	122.37	122.37	28.97	.....	93.39	.....	.....	.....
Delaware.....	1,270	66.70	65.25	15.17	.33	49.74	.....	1.45	2.2
District of Columbia.....	3,072	82.08	82.08	16.45	.06	65.57	.....	.....	.....
Florida.....	69,050	74.38	70.08	18.39	.23	50.76	1.31	3.70	5.0
Georgia.....	96,523	57.40	58.78	8.82	.06	46.89	.....	1.62	2.8
Hawaii.....	1,434	71.44	71.44	15.04	.22	56.18	.....	.....	.....
Idaho.....	7,169	87.06	87.06	15.58	.....	70.65	4.83	.....	.....
Illinois.....	70,970	74.50	74.02	14.00	.19	59.82	.....	.49	.7
Indiana.....	26,497	64.97	64.26	13.52	.17	50.57	.....	.71	1.1
Iowa.....	33,460	91.10	91.10	15.38	.40	75.33	.....	.....	.....
Kansas.....	27,881	82.21	82.21	12.34	.35	69.52	.....	.....	.....
Kentucky.....	62,83	59.32	59.32	8.35	1.20	49.77	.....	.....	.....
Louisiana.....	125,362	96.43	87.55	16.21	1.27	70.87	.....	.....	.....
Maine.....	11,655	91.15	85.51	23.27	.....	60.96	.....	.....	.....
Maryland.....	9,062	70.60	70.60	13.00	.10	57.50	.....	.....	.....
Massachusetts.....	76,953	117.69	117.68	31.62	.36	85.71	.....	.01	.....
Michigan.....	60,510	93.82	86.29	20.98	.....	65.31	.....	7.53	8.0
Minnesota.....	44,393	85.53	84.27	15.76	.14	68.11	.27	1.26	1.5
Mississippi.....	80,081	54.29	48.48	12.72	.64	35.08	.03	5.82	10.7
Missouri.....	115,015	82.23	80.72	19.81	.31	60.57	.03	11.51	12.5
Montana.....	6,745	90.53	80.53	18.72	.08	64.00	.....	.....	.....
Nebraska.....	14,730	82.97	81.57	12.35	.16	68.82	4 7.73	1.40	.....
Nevada.....	2,600	109.69	109.69	36.33	2.08	38.83	.25	.....	.....
New Hampshire.....	4,351	78.35	77.38	16.86	.23	60.30	4 2.44	.97	1.2

See footnotes at end of table.

TABLE 1.—*Old-age assistance recipients: Average monthly amount per recipient of requirements, income by type, and unmet need, by State, selected month, July–September 1960—Continued*

State	Total recipients	Require-ments	Available income ¹					Amount	Unmet need	
			Total	Net cash income other than assistance	Income in kind with money value assigned	OAA payments	Supplemen-tary general assistance money payments		Require-ments	Average total assistance (OAA and general assistance money payments)
New Jersey.....	18,950	\$108.72	\$108.72	\$22.08	\$0.93	\$55.71				
New Mexico.....	18,903	70.13	70.13	10.05		60.08				
New York.....	78,968	115.82	115.82	21.02	.17	94.62				
North Carolina.....	48,266	68.41	68.41	9.64		40.74	\$0.01		10.3	15.3
North Dakota.....	6,982	82.68	82.68	11.70	3.30	67.68				
Oklahoma.....	87,419	82.78	82.74	16.19	.09	66.46		.03	(²)	(³)
Oregon.....	88,269	82.30	82.20	13.34		68.85		.10	.1	.1
Pennsylvania.....	16,571	99.07	99.07	21.96	1.95	75.16				
Rhode Island.....	50,101	80.96	80.96	15.83	.05	65.14		10.14	54.1	122.2
South Carolina.....	38,855	18.73	8.59	.25		8.30				
South Dakota.....	6,755	89.78	89.78	24.17	.17	65.44		.78	1.6	2.1
Tennessee.....	31,945	48.29	47.51	6.62	2.97	37.87	.06			
Texas.....	8,729	74.23	74.23	11.90		62.32		1.90	3.6	4.6
Utah.....	54,442	53.37	51.48	8.22	2.02	41.22	.07	2.52	3.6	4.8
Vermont.....	221,727	70.18	67.66	15.07		52.51		1.46	1.7	2.2
Virgin Islands.....	7,759	83.35	81.89	14.89	.07	66.93		2.27	2.6	3.6
Virginia.....	5,554	86.13	83.86	20.06		63.80		25.83		
Washington.....	26.94	26.94	26.94	1.11		25.83		.03	(⁴)	.1
West Virginia.....	14,552	60.35	60.32	7.35	6.63	78.26		7.30	.3	.4
Wisconsin.....	48,283	100.56	100.27	21.64	.37	33.90	.55	5.17	11.6	15.0
Wyoming.....	19,155	44.72	39.55	5.09		66.18	.25	.42	.5	.6
	33,373	85.77	85.35	18.30	.27	64.48			2.9	3.9
	3,227	87.25	84.73	19.98	.02					

¹ Excludes cash income allocated to dependents and income in kind with no money value assigned. Includes income, if any, of essential person as well as that of recipient; averages may overstate slightly amount received by recipient.

² Less than 1 cent.

³ Less than 0.05 percent.

⁴ Based on data including some old-age assistance payments reduced in study month to compensate for overpayments in prior months.

TABLE 2.—*Old-age assistance recipients who are members of couples, both receiving OAA, living alone in own homes: Average monthly amount per recipient of requirements, income by type, and unmet need, by State, selected month, July–September 1960*

State	Number of recipients	Require- ments	Available income 1					Unmet need	
			Total	Net cash income other than assistance	Income in kind with money value assigned	OAA payments	Supplement-ary general assistance money payments	Amount	Percent of—
Total.....	342,098	\$69.66	\$67.95	\$17.22	\$0.53	\$50.20	(2)	\$1.71	2.5
Alabama.....	16,937	71.59	61.50	10.94	1.18	49.38		10.10	14.1
Alaska.....	374								
Arizona.....	1,948	66.61	66.43	14.55		51.88		.18	.3
Arkansas.....	14,086	54.77	54.58	14.55	.88	44.01		.19	.3
California.....	34,513	112.41	111.62	38.43	1.89	71.30		4.78	.7
Colorado.....	10,862	106.00	106.00	24.48	1.56	79.96			
Connecticut.....	531	72.77	72.77	35.78		36.99			
Delaware.....	138	60.56	60.54	16.10	.49	43.96		.01	(9)
District of Columbia.....	3 67								
Florida.....	10,547	60.66	60.33	17.87		42.46		.33	.5
Georgia.....	15,944	52.77	52.66	9.92		42.74		.11	.2
Hawaii.....	3 68								
Idaho.....	1,327	66.51	66.51	15.58		50.93			
Illinois.....	6,269	48.43	48.36	9.86	.26	38.23		.07	.1
Indiana.....	3,023	54.02	53.63	15.01	.10	38.52		.39	.7
Iowa.....	4,369	75.27	75.27	16.28	.15	58.84			
Kansas.....	4,622	63.20	63.20	13.44	.13	49.63			
Kentucky.....	10,408	57.57	55.53	9.52	.97	45.04		2.03	3.5
Louisiana.....	21,885	86.01	81.95	20.55	.11	61.29		4.06	4.7
Maine.....	1,632	69.44	67.67	16.25	.14	51.29		1.77	2.5
Maryland.....	3 411								
Massachusetts.....	3,528	78.09	78.09	29.39	.36	48.34			
Michigan.....	6,229	63.98	63.71	14.47		49.25		.27	.4
Minnesota.....	6,046	63.46	63.17	15.21	.12	47.85		.29	.5
Mississippi.....	13,043	47.81	47.81	11.00	.38	33.02		3.42	10.4
Missouri.....	26,237	76.85	72.03	14.69	.22	57.12		4.82	6.3
Montana.....	800	68.52	68.52	15.91	.18	52.44			
Nebraska.....	1,799	61.75	61.60	9.88		51.33	\$0.39	.15	.2
Nevada.....	266	85.08	85.08	32.95	1.46	50.66			
New Hampshire.....	372	57.14	56.66	21.85	.42	34.40		.47	.8

See footnotes at end of table.

TABLE 2.—*Old-age assistance recipients who are members of couples, both receiving OAA, living alone in own homes: Average monthly amount per recipient of requirements, income by type, and unmet need, by State, selected month, July–September 1960—Continued*

State	Number of recipients	Require-ments	Available income ¹				Amount	Unmet need	
			Total	Net cash income other than assistance	Income in kind with money value assigned	OAA payments	Supplemen-tary general assistance money payments	Require-ments	Average total assistance (OAA and general assist-ance money payments)
New Jersey.....	578	\$76.18	\$76.18	\$17.04	\$0.91	\$58.23			
New Mexico.....	2,083	58.99	58.99	10.84		48.16			
New York.....	4,447	60.45	60.45	20.79		39.65			
North Carolina.....	5,073	55.78	49.95	12.02	3.25			10.4	16.8
North Dakota.....	970	57.43	57.43	10.53	2.21	44.70			
Ohio.....	6,717	69.95	69.89	15.05		54.83		.1	.1
Oklahoma.....	23,342	66.87	66.87	1.32		51.55			
Oregon.....	1,656	66.65	66.65	22.10	.57	43.98			
Pennsylvania.....	3,604	59.51	59.51	20.63		38.88		54.6	122.2
Puerto Rico.....	2,913	18.22	8.27	.10	.04	8.14			
Rhode Island.....	370	60.20	60.20	29.86		30.34		.1	.1
South Carolina.....	3,748	38.57	38.55	4.07	1.48	32.99			
South Dakota.....	1,158	80.60	80.60	16.76		63.85		.4	.4
Tennessee.....	8,329	43.46	43.30	16.88	.68	36.31		.5	.7
Texas.....	42,941	61.96	61.66	16.88		44.79		3.1	4.0
Utah.....	1,160	62.66	60.72	12.39	.03	48.29		.17	.4
Vermont.....	949	66.60	66.43	19.84		46.60			
Virgin Islands.....	741								
Virginia.....	706	44.09	44.04	6.57	2.89	34.57		.1	.1
Washington.....	6,782	71.4	71.4	24.73	.20	46.40		.4	.6
West Virginia.....	2,463	26.71	22.00	4.13		22.87		12.9	17.0
Wisconsin.....	3,890	57.06	57.06	16.72	.07	40.26	\$0.01	.01	(⁴)
Wyoming.....	567	70.77	69.87	22.33		47.54	.07	1.3	1.9

¹ Excludes cash income allocated to dependents and income in kind with no money value assigned. Includes income, if any, of essential person as well as that of recipient; averages may overstate slightly amounts received by recipient.

² Less than 1 cent.

³ Detail not computed; number of recipients in sample too small.

⁴ Based on data including some old-age assistance payments reduced in study month to compensate for overpayments in prior months.

⁵ Reflects net rental value of home deducted from a maximum payment of \$106.

⁶ Less than 0.05 percent.

AVERAGE PAYMENTS BY STATE

MR. FOGARTY. We started out discussing the question of what States are lower than Virginia, are there others?

MRS. WEST. West Virginia is even lower than Virginia. It is \$46.74.

MR. FOGARTY. What is the lowest?

MRS. WEST. I am always in a quandary about the Virgin Islands and Puerto Rico. The average payment in old-age assistance is \$9.02 in Puerto Rico.

MR. FOGARTY. Let us stick with the States.

MRS. WEST. Low ones or high ones? The lowest, Mississippi, is \$34.16.

MR. FOGARTY. What is the second?

MRS. WEST. Let me see. I guess West Virginia. South Carolina is \$46.76 but West Virginia is \$46.74.

MR. FOGARTY. And then what?

MRS. WEST. \$53.42 for North Carolina. I may have missed one. Mississippi is at the bottom.

Do you want to hear the top ones now?

MR. FOGARTY. I am trying to help the little guy here. I know my State is up near the top.

PAYMENTS IN NORTH CAROLINA

MRS. WINSTON, can you get along on \$53 a month?

Can a person buy any tobacco with \$53 a month or does he have to give up smoking?

I mean in North Carolina.

DR. WINSTON. We have a standard budget that, if you give it that is, if they spend the maximum amount for rent, utilities, and medical care, adds up to \$102.

Now of course, under the law, when we budget, we put in first of all, basic items, food, a little money for clothing, and so on.

We have what is called variable items. How much housing actually costs, which goes in, how much minimum medical care costs, up to a certain maximum. But then we must take into account resources—

MR. FOGARTY. Without regard to the law, what does that amount to?

DR. WINSTON. The actual budget that works out—runs about \$75 a month, I think, per old person.

But we have resources, you see. We are an agricultural State. A good many people have a little production for home consumption or they each have a little tobacco and sell it and so on.

Then we also find that in our State there are a great many older people, who under the old family pattern live with children and consequently they do not have the housing costs they would have if they were renting.

But I can assure you that across the years—it has added up.

MR. FOGARTY. What is the amount then?

DR. WINSTON. The amount that has been quoted to you, around \$55 a month on the average. Now, of course, that in turn represents a substantial range from some old people who get a very small amount

to supplement that \$40 a month old-age insurance payment up to the people who may be getting close to the maximum, the actual maximum.

Mrs. WEST. You have 18 percent in North Carolina that are both recipients of old-age assistance and old-age and survivors insurance.

Mr. FOGARTY. You are not proud of \$53 a month, are you?

Dr. WINSTON. It is quite low. It is not very high at all.

Mr. FOGARTY. I am surprised you did not get it up.

Dr. WINSTON. You would be surprised if I told you how low it was before.

Mr. FOGARTY. What was it?

Dr. WINSTON. \$21, if I remember correctly when I started working on it. Mr. Fogarty, of course, you helped, too, because of the additional Federal money. It was very important.

In North Carolina the State government pays the entire cost of the basic public school system.

Mr. FOGARTY. Except in federally impacted areas, and you have quite a few of them in North Carolina.

Dr. WINSTON. Yes. We also have social welfare problems around the impacted areas.

Mr. FOGARTY. You are stealing a lot of industry out of the north.

I do not know if it is going to be any good for you in the end. You are going to have to raise taxes eventually.

Mrs. West, do you want to explain these three categories of increase.

CHANGES IN ESTIMATES FOR MEDICAL ASSISTANCE FOR THE AGED

Mrs. WEST. In medical assistance for the aged, we asked the States to supply estimates for us.

Last August 1962 we asked them to give us their best estimates for 1963 and 1964 of the annual number of people they expected to help and the total expenditures and the amount of Federal funds.

We had asked for a similar estimate for 1963 a year earlier. The August 1962 estimate for 1963 was a great deal lower than the estimate they originally submitted.

Then, we found that as we progressed through the fiscal year 1963, the States apparently were not coming up to their expectations as reflected in their estimates submitted in August 1962.

I might say that this is no reflection on the States. This is a very difficult program to make estimates for, because you have so many variable factors and the program is so new that the States do not have the experience to go on that they have in other programs.

So it is not surprising that their actual performance does not come up to what they anticipated.

Mr. FOGARTY. Is that the reason for the increase?

Mrs. WEST. The increase is in the ongoing programs, and for new programs. We had 28 programs included in the estimate for 1963 and 35 programs for 1964.

So part of the increase would be due to the new programs and part would be due to program growth. So what we did was to scale down the States' estimates for 1963 on the basis of their performance during 1963 and we also scaled down the amount for 1964, since we had scaled down the 1963 estimates.

This is the \$20 million decrease that we speak of here in the amended budget. The increase from 1963 to 1964 is still the same as the States estimated in terms of dollar increase.

AID TO FAMILIES WITH DEPENDENT CHILDREN

Now, in aid to families with dependent children, we have two segments. In the segment that has to do with the children of unemployed parents, we assumed optimistically that there would be a considerable improvement in employment conditions and we assumed that there would be some decline in the States that are now operating the program but that there might be some new States coming into this segment of the program.

We could not say exactly which ones because it was too early to know.

But we felt on balance the best estimate would be a 10-percent drop in this segment of the program between 1963 and 1964.

As far as the other segment is concerned, we projected an increase of 75,000 recipients which is the number of additional recipients you would have on the rolls, just taking account of the fact that there is an increase in the child population.

In aid to the permanently and totally disabled, we projected an increase somewhat lower than the actual increase shown in program trends.

Actually, what has happened is that the growth has not slowed down.

It actually has mounted somewhat, but the rate of growth is more apparent than real.

What is happening is that some States give a small grant under the program of aid to permanently and totally disabled to take care of a recipient's cash needs and pay for the expensive kind of medical care under the program of medical assistance for the aged.

Mr. FOGARTY. Regarding aid to dependent children of unemployed parents, I do not remember the Department of Labor saying they expected an increase in unemployment.

Mrs. WEST. They are not expecting an increase in unemployment. As I read it in the papers, neither are they expecting a bounding kind of improvement—the kind that you have to have to affect these rolls.

Mr. FOGARTY. That is right.

Mrs. WEST. It is very difficult sometimes to see the future until after you have been there.

INCREASES DUE TO NEW LEGISLATION

Mr. FOGARTY. Will you place in the record the increases in costs for 1963 and 1964 due to each of the various changes made by the 1962 amendment?

Mr. HURLEY. Yes.

(The information follows:)

Estimated additional amount of Federal funds required for grants to States as a result of new legislation and administrative actions, by program, fiscal years 1963 and 1964

[In millions]

Item	Length of time in effect in fiscal year	Total	Program					
			Old-age assistance	Medical assistance for the aged	Aid and services to needy families with children	Aid to the blind	Aid to the permanently and totally disabled	Not distributed by program
1. Assistance payments:								
New legislation:								
Extension of 1961 temporary amendments.	1964, full year	\$69.9	\$15.9	-----	\$50.1	\$0.6	\$3.3	-----
	1963, full year	75.9	16.8	-----	55.5	.7	2.9	-----
Increase in Federal matching formula, old-age assistance, aid to the blind, aid to the permanently and totally disabled.	1964, full year	138.1	111.3	-----	-----	4.2	22.6	-----
	1963, 9 months	81.1	66.0	-----	-----	2.6	12.5	-----
Inclusion of 2d parent in certain families with dependent children.	1964, full year	34.6	-----	-----	34.6	-----	-----	-----
	1963, 9 months	31.8	-----	-----	31.8	-----	-----	-----
Increase in ceiling for Guam, Puerto Rico, and Virgin Islands.	1964, full year	1.3	1.3	-----	-----	-----	-----	-----
	1963, full year	1.3	1.3	-----	-----	-----	-----	-----
Adult categories: Single program.	1964, full year	21.0	15.5	-----	-----	.7	4.8	-----
	1963 (2)	7.7	6.5	-----	-----	.2	1.0	-----
Earned income exemption in old-age assistance.	1964, full year	42.9	42.9	-----	-----	-----	-----	-----
	1963, 6 months	12.5	12.5	-----	-----	-----	-----	-----
Considering expenses of employment in determining need.	1964, full year	7.0	3.3	-----	3.7	-----	-----	-----
	1963 (3)	-----	-----	-----	-----	-----	-----	-----
Administrative actions:								
Persons conditionally released from mental institutions.	1964, full year	29.1	13.4	\$7.8	-----	-----	7.9	-----
	1963, full year	23.6	10.8	6.5	-----	-----	6.3	-----
Exemption of children's earnings.	1964, full year	.6	-----	-----	.6	-----	-----	-----
	1963, full year	.5	-----	-----	.5	-----	-----	-----
Total	1964	343.5	202.6	7.8	89.0	5.5	38.6	-----
	1963	233.4	112.9	6.5	87.8	3.5	22.7	-----
2. Cost of administration, services, and training:								
New legislation:								
Extension of 1961 temporary amendments.	1964, full year	4.1	-----	-----	4.1	-----	-----	-----
	1963, full year	4.4	-----	-----	4.4	-----	-----	-----
Earned income exemption in old-age assistance.	1964, full year	2.7	2.7	-----	-----	-----	-----	-----
	1963, 6 months	.8	.8	-----	-----	-----	-----	-----
Preventive and rehabilitative services.	1964, full year	42.3	10.6	-----	25.0	1.5	5.2	-----
	1963, 10 months	18.2	4.2	-----	9.8	1.0	3.2	-----
Staff training.	1964, full year	2.8	.9	-----	1.6	.1	.2	-----
	1963, 10 months	1.6	.535	-----	.937	.023	.105	-----
Administrative actions:								
Persons conditionally released from mental institutions.	1964, full year	2.1	.8	.6	-----	-----	.7	-----
	1963, full year	1.7	.6	.5	-----	-----	.6	-----
Total	1964	54.0	15.0	.6	30.7	1.6	6.1	-----
	1963	26.7	6.135	.5	15.137	1.023	3.905	-----
3. Demonstration projects (new legislation).	1964, full year	2.0	-----	-----	-----	-----	-----	\$2.0
	1963, full year	2.0	-----	-----	-----	-----	-----	2.0
4. Total for new legislation and administrative actions.	1964	399.5	217.6	8.4	119.7	7.1	44.7	2.0
	1963	262.1	119.035	7.0	102.937	4.523	26.605	2.0
Summary for new legislation.	1964	367.7	203.4	-----	119.1	7.1	36.1	2.0
	1963	236.3	107.635	-----	102.437	4.523	19.705	2.0
Summary for administrative actions.	1964	31.8	14.2	8.4	.6	-----	8.6	-----
	1963	25.8	11.4	7.0	.5	-----	6.9	-----

¹ For 1964, includes for Guam \$20,000; Puerto Rico, \$300,000; Virgin Islands, \$10,000; for 1963, includes \$300,000 for Puerto Rico. Amounts for both years shown as part of old-age assistance since amounts too small to distribute by program.

² Effective when Congress takes final action on supplemental request for 1963.

³ Optional; not required until July 1, 1963.

DEMONSTRATION

Mr. FOGARTY. What is currently being done under the new provision for demonstration projects?

Mr. HURLEY. We have been developing a policy and consulting with States about this area and have been encouraging States to develop such projects. So far we have not issued our policy to the States in this area. We are just about to release it.

Mr. FOGARTY. I was going to say, "Is it not about time?"

ELIGIBILITY REVIEW OF RECIPIENTS

Mr. HURLEY. It is a matter of the various kinds of things that the Bureau has had to do this year. We have had to, as you know, get out policy and standards around the many extensive amendments which made up the 1962 legislation. We also had to turn about and do this nationwide review of eligibility which has taken a very large segment of the Bureau's staff time and effort. That is still continuing with us.

Mr. FOGARTY. Do you expect to finish that soon?

Mr. HURLEY. We expect that the fieldwork will be completed in the majority of places by the end of April, if we are able to stay on schedule; and in some of the other States not until the end of May. So actually we would not see the total work being over with respect to the States until sometime in the middle of June.

GRANTS FOR PREVENTIVE AND REHABILITATION SERVICES

Mr. FOGARTY. The amendments authorize the Federal Government to put up 75 percent of the cost of preventive and rehabilitation services. What new programs have been started as a result of this?

Mr. HURLEY. What we have done is to develop the policies and define what the services would be, and that knowledge and guides have been given to the States.

At the present time we have plans in from 38 States. Now there are certain of these services which are prescribed as of July 1; they have to be in effect in those States. Now there is some leeway during this period up to July 1. But the States have to submit plan material and we have to act on it and have approved plans in order that 75 percent from Federal funds can be provided for this service.

Mr. FOGARTY. How many States have approved plans up to this point?

Mr. HURLEY. We have approved only a few States at this point because there are States that have had to revise their plans or revise certain policies in this area. But the States will be and are submitting plans. These will have to be submitted by all States that want 75 percent matching, and services will have to be in effect in those States by the first of July. This also put quite a burden on some States too, because as we mentioned with respect to the eligibility review, in a number of States the key staff is involved in getting the review done. We expect the majority of the States, with minor exceptions, to come forward and have plans effective on July 1.

RATIO OF OLD-AGE ASSISTANCE RECIPIENTS TO TOTAL POPULATION

Mr. FOGARTY. I notice on page 26 of the original justifications, you estimate no reduction in the rate per thousand population of the number of people on old-age assistance. I thought you have been telling us over the years this has been doing down.

Mrs. WEST. The reason that is not going down is that people are coming into the program as a result of the Secretary's administrative action making those persons who are conditionally released from mental institutions eligible under the program. Also, under the Public Welfare Amendments of 1962, we have an item on earned income exception in old-age assistance, which will make additional people eligible. That is the reason why the rate remained the same. Since the aged population also is increasing, there is no increase in the rate.

ADMINISTRATIVE EXPENSES

Mr. FOGARTY. Place in the record a table showing for each year 1950 through 1964 the amount that was shown in the budget for that year for administrative expenses. Then show the amount actually spent for each year 1950 to 1962.

(The information submitted in answer to the above request is as follows:)

Public assistance: Estimates and expenditures for State and local administration,¹ fiscal years 1950-64

[In thousands]

Fiscal year	Estimates	Expenditures	Fiscal year	Estimates	Expenditures
1950.....	\$52,600	\$57,281	1958.....	\$117,000	\$116,308
1951.....	65,000	65,295	1959.....	125,000	125,138
1952.....	63,500	76,876	1960.....	133,000	133,634
1953.....	74,100	81,715	1961.....	143,000	142,465
1954.....	81,000	86,496	1962.....	166,800	164,148
1955.....	87,500	90,224	1963.....	161,600	² 191,600
1956.....	94,000	97,539	1964.....	229,600	² 229,600
1957.....	101,000	105,594			

¹ For the years 1950-62, the estimates were identified as State and local administration; for 1963 and 1964 they are identified as State and local administration, services, and training.

² Estimated.

TRAINING OF PUBLIC WELFARE PERSONNEL

Mr. FOGARTY. Going on to training of public welfare personnel, this is the fifth request for a separate training program and so far there has been no appropriation. You also have a new 75-percent matching program under the "Grants to States" appropriation. How much is budgeted for the training program under "Grants to States"? You can supply it for the record, also, how are the two programs different?

(The information follows:)

I. Grants to States

	<i>Federal funds</i>
Under sec. 705. of the Social Security Act-----	0
Under titles I, IV, X, XIV, XVI of the Social Security Act at 75 per- cent Federal share:	
Total training-----	\$4, 733, 400
Educational leave -----	2, 130, 000
State and local agency staff engaged in training-----	1, 053, 750
Agency training sessions-----	1, 549, 650

The 75-percent matching under titles I, IV, X, XIV, and XVI provides the basic source of funds for internal State agency training, and for academic training of employed personnel.

II. Training to be arranged for by Bureau of Family Services

	<i>Federal funds</i>
Under sec. 705 of the Social Security Act, as amended by the Public Welfare Amendments of 1962-----	\$2, 000, 000

Under the 1962 Public Welfare Amendments a new training authority to the Department provides for direct training by the Department. Direct training in 1964 will be carried out by—

(1) Conducting some short-term training institutes of a highly specialized nature to certain key State and local personnel.

(2) Making grants to universities to help them increase educational facilities for training public assistance personnel and to provide fellowships and traineeships to increase the number of persons preparing for work in public assistance.

ASSISTANCE FOR REPATRIATED U.S. NATIONALS

Mr. FOGARTY. The appropriation "Assistance for Repatriated U.S. Nationals" for 1963 is \$467,000 and the request for 1964 is \$500,000. Since there are activities amounting to \$65,000 being shifted to "Salaries and expenses, Bureau of Family Services," there is actually an increase of \$98,000 in activities under this appropriation. What is being transferred out?

Mr. HURLEY. For the staff assigned to this project we are showing the financing of that particular staff under our regular "Salaries and expenses" budget.

Mr. FOGARTY. When the Secretary was here we were told that activities under this program were much less than expected, so it isn't necessary to resubmit the request for the supplemental you requested earlier this fiscal year, but did not get. What is the reason for estimating needs to go up in 1964?

Mr. HURLEY. Well, we do not expect any increase in the number of repatriates coming from Cuba. We think that has really leveled off and we don't expect much there. We expect the increase to be more for the repatriates from countries other than Cuba, who, because of illness or destitution abroad are returned. I think as the embassies become more knowledgeable of the program, there will be more use of it. The primary reason we have not asked for the supplemental again is because the return of U.S. citizens from Cuba has about stopped.

KNOWLEDGE OF PROGRAM AT U.S. EMBASSIES AND CONSULATES

Mr. FOGARTY. From looking at your justifications I thought it was explained on page 87 where you say:

It may be that as the U.S. embassies and consulates become better informed of the existence of the programs, more referrals will be made.

Do you mean they have been uninformed about this program? That is a pretty strong indictment of our embassies and consulates.

Mr. HURLEY. As with every large organization, and particularly for one that is spread out, it takes time.

Mr. FOGARTY. I should think that would be one of the first things they would know, any assistance available to our citizens.

Mr. HURLEY. I think the State Department did attempt to get the information down.

Mr. FOGARTY. Did they pay more attention to what is made available in the foreign aid program than they did to what is available for our repatriated American citizens?

Mr. HURLEY. I do not know. I am not too familiar with the embassies.

Mr. FOGARTY. Sounds like a pretty strong indictment.

Mr. HURLEY. I think it is to be expected that it would take time in deciding whether or not certain kinds of cases come within the scope of the program. I think that while at first some judgement is being made that certain cases would not be referred, with some experience developed on cases which have been handled successfully, I think you are bound to see an increase in their activity. In other words, I think they may be turning away cases from the embassies at this time—knowing more about the program, they might not.

Mr. FOGARTY. That is inexcusable if they are turning eligible cases away.

Mr. WYNKOOP. There is another factor, Mr. Chairman. It is not a monumental one, but we are now budgeting in 1964 for \$10 a day for the mentally ill rather than \$9. So this would be an 11 percent increase in the cost of those patients.

SALARIES AND EXPENSES

Mr. FOGARTY. For salaries and expenses, Bureau of Family Services, the appropriation for 1963, including the comparative transfer, is \$3,650,000 and the request for 1964 is \$5,400,000, an increase of \$1,750,000 or almost 50 percent. There is a supplemental appropriation request of \$452,000 pending. Have you put on any additional people in expectations of getting that supplemental?

Mr. WYNKOOP. No, sir.

NEW POSITIONS

Mr. FOGARTY. Most of the increase you are requesting is to annualize positions you have not yet been authorized to establish, is not that right?

Mr. WYNKOOP. That is correct.

Mr. KELLY. You understand here, Mr. Chairman, that we did go to the Congress when the 1962 amendments were enacted. We asked for

funds. There was no supplemental. We now have pending in the Congress a request for reconsideration of the supplemental. As Mr. Hurley said, we have had a difficult year with the new amendments and the responsibility.

Mr. FOGARTY. I appreciate that. I think you should have had a supplemental last year.

Mr. WYNKOOP. Both the House and Senate approved additional jobs for us in the supplemental that did not pass last fall.

Mr. FOGARTY. Between the supplemental and this request you are asking for 126 new positions; is that right?

Mr. HURLEY. That is right.

Mr. FOGARTY. How does that fit in with the President's manpower directive?

Mr. HURLEY. Well, sir, from the standpoint of what is required of us to implement the 1962 amendments and what is expected, we do not see how we could possibly do this task without this kind of staffing. My own view is that we are underadministered at the moment to carry out the kind of responsibility required.

Mr. FOGARTY. Were you exempt from the President's directive in any way?

Mr. WYNKOOP. No, sir.

Mr. KELLY. The Secretary considered this program to be so acute that he exempted this Bureau from the application of the 3-percent reduction in staff.

STAFF BUDGETED FOR OFFICE OF AGING

Mr. FOGARTY. That is a good explanation and my next question is prompted by the explanation.

How many additional positions are budgeted for the Office of Aging?

Dr. KENT. No new positions.

Mr. FOGARTY. I was under the impression the Secretary was very much interested in this problem of aging also.

Mr. KELLY. I think he is.

Mr. FOGARTY. But I find here there is not one additional position.

Mr. KELLY. One of the considerations was that he had the feeling there should be a new legislative program enacted in this field, and the existing program should be held to the current level.

Mr. FOGARTY. It sounds to me like those who oppose this change made by the Secretary and claim that aging today is almost lost in this welfare administration, may have some valid grounds for complaint.

DETAILS REGARDING ADDITIONAL POSITIONS REQUESTED

Will you supply for the record just what these 126 additional employees will do and their titles.

Mr. HURLEY. Yes, sir.

(The information follows:)

THE 1963 SUPPLEMENTAL REQUEST FOR 95 POSITIONS

The regular 1963 appropriation for salaries and expenses, Bureau of Family Services, was considered by both the House and the Senate prior to the enactment of the Public Welfare Amendments of 1962 (Public Law 87-543). Consequently, the appropriation allowance made no provision for the implementation of these amendments which provided for some 14 substantial and diversified changes in the public assistance programs and increased considerably the workload and responsibilities of the Bureau.

These amendments add greatly to the volume and complexity of Bureau operations. They require a great deal of work at the Federal, State, and local levels to achieve maximum results in helping dependent people to become more self-reliant and in eliminating abuses that may have crept into the public assistance programs. The supplemental appropriation request for funds to finance 95 positions is to enable the Bureau to proceed to develop policy and operating procedures, carry out the day-to-day operations, and to provide the stimulation and guidance and other kinds of assistance that should be available for the completely new measures—and opportunities—that now exist for creating a more effective public welfare program.

Only the most basic policies essential for States to begin developing plan material have been issued, and these are not yet completed. Many additional policies and standards and guide materials must be developed by the Bureau for most of the amendments. Counseling and other technical assistance must be furnished to individual States, on a nationwide basis, on methods of carrying out the amendments, including the all-important task of assuring that program goals and improved administration are reflected in such work. In this process, it will be necessary to interpret and define the requirements in the Social Security Act in regard to the new amendments per se, as well as all the other basic requirements in relation to the amendments.

Most of the amendments require submittal of plan material by the States and action by the Bureau on the plans submitted. General consultative services and advice on conformity of State programs with Federal requirements will be necessary in many instances. Functions such as providing information, answering inquiries, and providing a system for obtaining and compiling data are greatly expanded by the amendments.

The statistical reporting area, including the related program analysis work, is another significant activity that must be considerably expanded. Following changes made by the States in the operations of their programs, the Bureau must extend its administrative review of actual State and local practice to the new program elements.

95 new positions requested, fiscal year 1963 supplemental, by activity

	<i>Number</i>
Program policies and standards:	
Administrative and fiscal management adviser (public welfare)-----	1
Family and children services specialist-----	2
Social administration specialist (unemployed)-----	1
Social welfare specialist-----	1
Administrative management adviser (public welfare)-----	1
Fiscal management adviser (public welfare)-----	2
Community planning specialist-----	1
Preventive and rehabilitation specialist-----	2
Public welfare specialist-----	2
Staff development specialist-----	2
Welfare service specialist-----	2
Family services technician-----	1
Staff development specialist-----	1
Secretary-----	9
Review State plans and grants, evaluate State operations:	
Family services technician-----	25
Staff development specialist-----	9
Writer-editor-----	1
Correspondence clerk-----	1
Clerk (typing)-----	1
Correspondence clerk-----	1
Fiscal clerk (grants)-----	1
Plans maintenance clerk-----	2
Secretary-----	10
Clerk-stenographer-----	1
Collect and interpret statistics:	
Research analyst-----	2
Social science analyst-----	2
Statistician (demography)-----	1
Survey statistician-----	1
Welfare services research analyst-----	2
Statistical assistant-----	2
Clerk (typing)-----	1
Secretary-----	1
Administration:	
Administrative assistant-----	2
Clerk-----	1
Total positions, all activities-----	95

2. 1964 REQUEST FOR 31 ADDITIONAL POSITIONS

An increase of 16 positions is requested to strengthen and expand the administrative review of State and local operations in the area of eligibility as well as in subject areas such as provision of welfare services, staff development, exemption of earned income in the AFDC program, fraud procedures, medical care administration, etc.

An increase of 10 positions is requested to strengthen and improve research activities related to public assistance. There is an acute need for additional Bureau staff in the research area, stemming primarily from the need for additional analytical information under basic program operations as well as from the Secretary's administrative directives of December 1961 and from new legislation. The principal subject areas for which research staff increases are requested are medical care, demographic studies, interprogram relationships, and welfare services.

An increase of five positions is requested to strengthen medical care administration in public assistance, especially by providing leadership and technical advisory services to State welfare departments in the development of medical care and personal health services programs.

New positions requested--fiscal year 1964, by activity

	<i>Number</i>
Review State plans and grants, evaluate State operations:	
Regional medical consultant-----	5
Family services technician-----	8
Family services technician-----	5
Clerk (stenography)-----	3
Collect and interpret statistics:	
Research analyst (demographic studies)-----	1
Research analyst (interprogram relationships)-----	1
Research analyst (medical care)-----	1
Research analyst (welfare services)-----	4
Secretary-----	2
Statistical clerk-----	1
Total positions, all activities-----	31

FOOD STAMP PROGRAM

Mr. FOGARTY. What are you doing in connection with the Department of Agriculture's food stamp program?

Mr. HURLEY. We have worked very closely with the Department of Agriculture.

Mr. FOGARTY. Do you get any funds from the Department of Agriculture?

Mr. HURLEY. We have no funds from the Department of Agriculture.

Mr. FOGARTY. Do the State welfare agencies get administrative expense funds from Agriculture?

Dr. WINSTON. Yes, when they have the stamp fund. They do not get it when it is a direct distribution program.

Mr. FOGARTY. How much?

Dr. WINSTON. Fifty percent for certain types of administrative positions.

Mr. FOGARTY. Mr. Denton.

COMPARISON OF STATE ASSISTANCE PROGRAMS

Mr. DENTON. I have here a list of the States showing what they call "financial effort" in assistance programs. There are only three that are lower than my State of Indiana.

Mr. FOGARTY. This was put in general debate in the Senate in 1960.

Mr. DENTON. They are Virginia, Delaware, and North Carolina.

This is rather old and I am sure that there has been improvement in Indiana since that time.

Mrs. WEST. I can supply you with the recent information if you would like to have it for the record.

Mr. FOGARTY. Sure, let us put it in the record.

(The information follows:)

Selected fiscal data relating to public assistance payments, fiscal year 1962

State	Average per capita income, 1959-61	Expenditures for assistance payments from State and local funds, fiscal year 1962		Percent of assistance payments from Fed- eral funds, fiscal year 1962
		Per inhabitant	Per \$1,000 of personal income, cal- endar year 1961	
Total	\$2, 214	\$10. 50	\$4. 72	54. 0
Alabama.....	1, 459	6. 87	4. 56	75. 1
Alaska.....	2, 661	9. 86	3. 10	47. 7
Arizona.....	2, 011	6. 09	2. 99	66. 7
Arkansas.....	1, 370	6. 54	4. 37	75. 5
California.....	2, 724	18. 62	6. 77	44. 5
Colorado.....	2, 300	21. 42	9. 03	51. 2
Connecticut.....	2, 832	12. 35	4. 34	36. 5
Delaware.....	2, 989	4. 59	1. 55	55. 8
District of Columbia.....	3, 007	10. 14	3. 16	55. 4
Florida.....	1, 963	4. 46	2. 33	71. 3
Georgia.....	1, 606	5. 66	3. 40	74. 7
Guam.....	(1)	1. 84	(1)	49. 7
Hawaii.....	2, 278	8. 24	3. 04	48. 9
Idaho.....	1, 787	6. 81	3. 74	64. 5
Illinois.....	2, 624	16. 89	6. 41	38. 3
Indiana.....	2, 168	2. 53	1. 18	67. 6
Iowa.....	2, 038	8. 47	4. 00	56. 9
Kansas.....	2, 062	9. 46	4. 44	55. 5
Kentucky.....	1, 557	5. 92	3. 55	73. 9
Louisiana.....	1, 613	14. 07	8. 94	69. 9
Maine.....	1, 835	8. 94	4. 68	61. 7
Maryland.....	2, 400	4. 45	1. 81	59. 6
Massachusetts.....	2, 513	16. 88	6. 46	46. 9
Michigan.....	2, 279	14. 84	6. 71	37. 1
Minnesota.....	2, 067	14. 18	6. 69	44. 9
Mississippi.....	1, 183	4. 95	3. 88	78. 9
Missouri.....	2, 204	10. 77	4. 77	64. 9
Montana.....	1, 988	11. 65	5. 97	42. 9
Nebraska.....	2, 098	6. 11	2. 76	60. 6
Nevada.....	2, 850	12. 87	4. 34	40. 6
New Hampshire.....	2, 008	7. 23	3. 35	50. 5
New Jersey.....	2, 655	7. 57	2. 83	39. 4
New Mexico.....	1, 811	7. 00	3. 90	70. 2
New York.....	2, 783	13. 49	4. 79	45. 0
North Carolina.....	1, 566	4. 40	2. 63	73. 9
North Dakota.....	1, 626	8. 91	5. 55	59. 4
Ohio.....	2, 316	10. 87	4. 79	45. 4
Oklahoma.....	1, 835	19. 48	10. 06	65. 8
Oregon.....	2, 233	11. 41	5. 06	48. 6
Pennsylvania.....	2, 238	8. 69	3. 86	51. 9
Puerto Rico.....	(1)	3. 81	(1)	46. 0
Rhode Island.....	2, 194	12. 60	5. 44	49. 1
South Carolina.....	1, 379	2. 89	1. 97	75. 9
South Dakota.....	1, 747	6. 84	3. 60	65. 6
Tennessee.....	1, 549	3. 49	2. 17	77. 3
Texas.....	1, 944	5. 37	2. 69	71. 7
Utah.....	1, 923	7. 89	4. 04	60. 1
Vermont.....	1, 859	6. 22	3. 27	68. 1
Virgin Islands.....	(1)	9. 88	(1)	42. 5
Virginia.....	1, 851	2. 09	1. 06	71. 9
Washington.....	2, 314	17. 71	7. 37	47. 6
West Virginia.....	1, 664	7. 76	4. 51	74. 5
Wisconsin.....	2, 158	10. 19	4. 71	43. 2
Wyoming.....	2, 261	8. 05	3. 52	49. 9

¹ Data on per capita and personal income not available.

EFFECT OF IMPROVED ECONOMY

Mr. DENTON. A year ago when you people were up before us, you said there was a recession and that caused a great increase in the amount of money that had to be paid under welfare, and it was necessary to increase the payments for welfare because of the recession.

Now, business conditions are better than they were a year ago and I thought, of course, when you came up this year, that since conditions were better and improved so much, that the welfare payments would go down if they went up with the recession.

But I am very disappointed to find that, notwithstanding conditions are improved, that your welfare budget as usual goes up and up and up.

Why is it that the improved business conditions have not relieved that situation when depressed conditions caused it to go up?

Mr. HURLEY. Well, sir, a number of the increased costs result from amendments made by the Congress.

Mr. DENTON. But take old-age assistance. There is very little of that due to action of Congress.

Mr. HURLEY. There is a substantial amount related to the aged.

Mr. DENTON. The first \$30—that is about all.

Mr. HURLEY. You have an increase of \$4 which amounts to the most substantial increase of the cost for the next year.

It is one of the real costly amendments.

Mrs. WEST. For 1964 the \$4 increase is \$138.1 million for the three adult categories.

Actually there was a reduction in 1963 from our original estimate. You will recall that last year when we asked for a supplemental for 1963, we asked for \$397.2 million.

This is now reduced to \$210 million, and part of the reduction was due to a very substantial downward revision in the estimate for aid to families with dependent children.

The amount that we took out of that program was more than \$50 million, and we did reduce the number of recipients there.

Mr. DENTON. That would make the appropriation for 1963 lower than 1962.

Mrs. WEST. No; it does not bring it down below. But we had originally assumed a much larger increase in 1963.

Mr. DENTON. It is \$138 million.

Mrs. WEST. We dropped 1963 below what we originally asked for.

There is still an increase and it is largely because of the amendments.

Mr. DENTON. It is \$138 million more in 1963 than it was in 1962.

I think that was allowing for the recession, was it not?

Mrs. WEST. Yes; but we originally had it much higher than that.

REHABILITATION

Mr. DENTON. Let us talk about these new amendments. I remember last year the Secretary of HEW and your agency came on here and told us that you had a new program on welfare, that you were going to rehabilitate people and if we passed these amendments, you would rehabilitate these people and they would not need to draw benefits any more.

Now, I find that is not true. I was very suspicious at that time of this agreement because I think over half of them on welfare are over 75 years of age and are not very likely to be rehabilitated.

I do not think there is much possibility of rehabilitating children below 10 years of age, although their parents may be.

Of course we have the regular rehabilitation program to rehabilitate those who can be rehabilitated.

I was very suspicious about it, but they told us you could rehabilitate these people if you had the new law and the benefits of welfare would go down, but they have been going up and up for years.

Mr. HURLEY. You cannot have a program announced and implemented overnight.

It takes time before you will see the effects of some of these actions.

Mr. DENTON. How much can you rehabilitate people under this program?

Mr. HURLEY. Our projects and services have not been developed with the idea that we were going to rehabilitate the total group of aged.

Mr. DENTON. I did not think so last year. You said they were going to rehabilitate a great many people.

Mr. HURLEY. The principal service emphasis in our programs is on children.

Mr. DENTON. How many more can you rehabilitate now than you could before?

Mr. HURLEY. It is difficult to say what kind of reduction may occur.

Mr. DENTON. When do you estimate you can rehabilitate?

Mr. HURLEY. We think we can do an awful lot with the families on AFDC if we have sufficient time and sufficient staff effort put into it.

Mr. DENTON. How many do you think you are going to rehabilitate?

Mr. HURLEY. I would not hazard a guess as to what the end result would be in terms of rehabilitation. If rehabilitation is a matter of their going off the assistance rolls, well, with respect to a number of the aged they are not going off the assistance rolls even though you do provide more social services.

Mr. DENTON. Do you think you can rehabilitate 10 percent of them?

Mr. HURLEY. I think a large number can be rehabilitated.

Mr. DENTON. 10 percent.

Mr. HURLEY. It takes time to do the job.

Mr. DENTON. As far as aged you would not rehabilitate them?

IMPROVING THE LOT OF THE AGED THROUGH REHABILITATION

Mr. HURLEY. I think you are going to help the aged to take better care of themselves.

You are going to assist them to some degree of independence. I think these amendments that go to the point of exempting earnings for the aged are very desirable. I think in terms of the aged group, considerable work has to be done so they do not become totally dependent.

Mr. DENTON. You think you can rehabilitate them?

Mr. HURLEY. I think an extensive amount of work can be done that would help a number of the aged people.

Under the amendment we would be working very closely with other agencies.

Mr. DENTON. How many can you rehabilitate? Can you give us a figure on it?

Mr. HURLEY. We have no figures on it as far as I know.

Mr. DENTON. They were so positive they could rehabilitate them last year.

Mr. HURLEY. There is no question we can.

But what would be done requires time.

Dr. WINSTON. May I speak of what we mean by rehabilitation?

If you talk about rehabilitating people to the point where they do not need public assistance, that is one kind of special rehabilitation. When we use the term, we are talking in terms of an overall improvement in the living of people. You take an old person—I have seen many of them—for example, we took an old man out of a State hospital. He was bedridden. We saw that he had the kind of care he needed. We got him to the point where he could get up and take care of his everyday needs, but he still had to have a public assistance payment. We had done a lot to rehabilitate that old man in terms of everyday living.

Or you take a family of dependent children. The mother may still need assistance but the children are in school every day, and you have done a tremendous amount for that family, to which we would apply the term, "rehabilitation."

Mr. DENTON. Mr. Cohen made that same distinction. I wish you had made that distinction last year when you told us how many people you were going to rehabilitate.

Mr. KELLY. Mr. Denton, in all fairness, I was there. I think you credit us with having been too ambitious.

When Secretary Ribicoff presented the welfare amendments of 1962 and discussed them before this committee, he clearly indicated that the initial impact of the 1962 amendments was going to be to increase the cost of the welfare program in order to make an investment and get a long-term gain.

Mr. DENTON. When I was suspicious of your rehabilitating people, you turned on me as a doubting Thomas.

ELIGIBILITY REVIEW OF RECIPIENTS

How are you coming along with your investigation?

Mr. HURLEY. Are you referring to the nationwide review?

Mr. DENTON. Yes.

Mr. HURLEY. We are about halfway through, I would say. We have had our staffs in the first 2 days of this week to try to plan for the closing out of this review in the field, so that we can meet the objective of the committee, to produce our report.

Mr. DENTON. I take it you have 75 people, and 1,000 out in the State offices doing this investigating?

Mr. HURLEY. Yes.

Mr. DENTON. Doing this work?

Mr. HURLEY. Right.

Mr. DENTON. According to the first edition of the justification, the number has gone up a little bit.

Mr. HURLEY. Well, this was on the basis of looking at what was involved in the review.

Our estimates were conservative to begin with in terms of how much time it would take.

INVESTIGATION BY WELFARE PERSONNEL

Mr. DENTON. I think you made an awful mistake undertaking this investigation yourself.

One welfare worker came in my office and said, "What business has welfare got checking themselves?" And of course, in view of the disclosures of the District of Columbia, which is right under our nose, if you do not find something similar, you are going to be accused of not doing something that you should have done. Of course, if you do discover it, why it is a bad picture, too. I think it would have been tremendously better if you had had Grant-in-Aid Audit, or some other agency do that.

I understand that the General Accounting Office is helping?

Mr. HURLEY. That is right.

Mr. DENTON. But nevertheless, I think you got yourself into a very bad position, making that investigation yourself. You would have done a lot better to have somebody else audit your own books.

Mr. HURLEY. Well, sir, we had no choice. As you know, the directive of the Senate Appropriations Committee was that this be done by the concerted effort of the Federal, State, and local agencies, and so we had no choice. There was no money appropriated either for this help.

STATE INVESTIGATIONS FOR INELIGIBLE RECIPIENTS

Mr. DENTON. I certainly do not want to see poor people neglected. And I do not want to see children punished for what their parents did. On the other hand, I do not want to see a lot of chiselers on this program, drawing relief, when they are not entitled to it.

Now, when the Secretary was up there, I spoke about the fact that when I was in the State legislature, right after this law was passed, I was on the committee that investigated the situation in Indiana which we found was very bad, and that was at the start of this program. Of course, this Washington situation shows about 50 percent—over 50 percent—fraudulent cases.

Well, I had the Library of Congress make checks for me, where they had investigations over the country. They had them in New York; they had them in New Jersey and in Chicago; they had them in Detroit. They had them in Texas. They had them in West Virginia. They had them in California, and they all showed a great many fraudulent cases on relief roles.

Now, I know in administering any law of this kind, you are bound to have some trouble, and in spite of how careful you are, you are going to find similar cases, but on the other hand, where there is so much smoke, there must be so much fire. It looks to me like you have a fertile field to investigate that, especially with the samples we have so far.

Mr. FOGARTY. Was West Virginia bad?

Mr. DENTON. In the report I had, they said they were 10 to 15 percent in West Virginia.

Mr. HURLEY. Mr. Denton, I think that there are always problems in dealing with statistics. I think they are subject to interpretation and also, sometimes, to misinterpretation; that the question of eligibility, also, has all shades of meaning.

A person is not eligible, for example, under the State plan, if he has \$1,600 and the State plan says he should have resources only up to \$1,500.

Mr. DENTON. That is one field.

Mr. HURLEY. Now, this is not the kind of ineligibility that you are talking about. Yet this will appear as ineligibility in any kind of a report that you have.

Mr. DENTON. How many do you think you could take off the relief roles by this investigation?

Mr. HURLEY. Sir, we ourselves, and our staff, have taken the view that we are not prejudging the situation in any way at all. We want the review to be done as objectively and as completely and as thoroughly as it possibly can be done, and let the chips fall where they may.

Mr. DENTON. I think the record shows that here in the District of Columbia, since they made the investigation, that there was something like a 20-percent—was it not 20-percent drop?

Mr. HURLEY. Yes, there has been a drop in the rolls in the District.

Mr. DENTON. How much do you think the investigation will cost?

Mr. HURLEY. Sir, I do not know.

Mr. DENTON. Have you gone far enough along this to see?

Mr. HURLEY. We have no data collected with respect to the findings of the review because again, on the findings of such small samples as you get down to in each State, you really would be doing an injustice to both the States and the overall findings, by having any kind of preliminary findings.

Mr. DENTON. Undoubtedly, the Senate will wait until they get the report before they pass on the amount appropriated for welfare.

Mr. HURLEY. Yes.

Mr. DENTON. What are we going to be doing in the meantime? Can you give us any help at all?

Mr. HURLEY. So far we have been talking about the District of Columbia situation. The District of Columbia is atypical with respect to what we are talking about. It is not a State. There is no one who supervises it in the way a State agency supervises localities in other States.

Mr. DENTON. Just a minute. That is what I do not like about welfare. That is one thing that I do not like about welfare.

The General Accounting Office made an investigation of your office out in Kansas City.

Mr. HURLEY. Yes, sir.

DESERTING FATHERS' NONPAYMENT OF CHILD SUPPORT

Mr. DENTON. That included, I think, Iowa, Kansas, Nebraska—some States out there. They found that you are doing practically nothing toward making fathers support their children; and that was pretty strong. They said in divorce cases, if a man left the State because of the reciprocal law, they could do something if a father didn't support his children—as long as he stayed in the State, you would not do anything.

Now, I notice that Secretary Ribicoff said he was going to do something to relieve that situation and Secretary Celebrezze said he had. Now, how well have you gone along with that?

Mr. HURLEY. Well, sir, I think the issue gotten in the Kansas City region, was around this case of divorced parents. This is where the question was raised.

Mr. DENTON. They raised the question generally, and that one in particular.

Mr. HURLEY. This one was the area——

Mr. DENTON. The objection they made was in divorce cases, the father, if he was ordered to support the children, you did nothing to make him do it.

DIFFERING STATE PROGRAMS

Mr. HURLEY. Well again, I think there are differences among the States as to where they feel that responsibility is vested. However, be that as it may——

Mr. DENTON. I do not think there is a State in the Union where a father is not required to support his children.

Mr. HURLEY. No. He has to support them. I am talking about how it is enforced; that is what I was referring to. With respect to what we have done, the Secretary has directed that we give priorities in this area, that directions be given to the State agencies to locate absent parents, deserting parents.

Mr. DENTON. I do not know of anybody that would have a better chance of locating them. You have social security.

Mr. HURLEY. We have also worked out procedures that provide for our getting information from social security on such parents. Now, there are some problems in this, as you know, because that information is about 9 months old; however, we do make extensive use of that information.

We have also directed the State agencies to focus responsibility for this activity by placing the responsibility in a unit of the State agency that gives direction to this activity throughout the State.

Mr. DENTON. Of course, I appreciate that. I was a prosecutor during the depression and I know how aggravating these cases are and I am sure it is much easier for the welfare worker to have the Government or State agency pay the money than follow up these cases by legal action. But it is not morally right. It is just as wrong as it can be, that a father does not support his children, and leaves them to be taken care of by public charity.

Mr. WYNKOOP. You do know, Mr. Denton, that under the Secretary's direction, somewhat less than a year ago, all States are required to set up a central unit for the more effective location of deserting parents.

Mr. DENTON. Let me ask you this. With that program, how much have you cut down the welfare payments?

Mr. WYNKOOP. Well, I——

Dr. WINSTON. Could I speak for one other State here?

Mr. DENTON. Yes.

DELAY IN COURT ACTION

Dr. WINSTON. Well, now, first of all, we refer these deserting fathers to the courts but you know out of your experience how difficult it often is to get action in your courts.

Mr. DENTON. There are few prosecutors that will not cooperate with you.

Dr. WINSTON. Well, I wish, sir, that were true throughout the country, but we have long lists of cases that were backlogged.

Mr. DENTON. I have had prosecutors write to me, asking help trying to locate deserting husbands, and wanted me to help them, and I had to go through welfare who went through social security to find their men for them. They are aggravating cases, and of course prosecutors do not like them any more than you welfare workers do, but I have seen few prosecutors that did not handle them. I handled them during the depression, which was about as aggravating as it could be.

Dr. WINSTON. Could I speak to this other point, what this is helping to do in cutting down on assistance?

Mr. DENTON. Yes.

UNIFORM RECIPROCAL ENFORCEMENT ACT

Dr. WINSTON. The Uniform Reciprocal Enforcement of Support Act, has been a great help to us in terms of fathers who desert in other States.

Mr. DENTON. I introduced the runaway pappy bill in Congress. I never got any action on it, but I have always thought that one outgrowth of that was the uniform reciprocal acts. They all came out after that. The Children's Bureau was for it, but that was about all.

I have still got the bill in. I turn it in every session, but I never get anywhere with it. I cannot even get a hearing. I have always thought the Government ought to handle those kinds of cases, especially as much money as the Government is paying on aid to dependent children, and almost all the children have fathers. In some of the cases, such as the illegitimate children, there might be doubt to determine who the father is; but few cases of that kind are lost in court. Action can be taken in those kind of cases.

Mr. FOGARTY. Have you finished, Dr. Winston?

Dr. WINSTON. I was going to comment a little further about experience under this Uniform Reciprocal Enforcement of Support Act, because we saw the amount of money that that brought in, from out of State; from \$400,000 the first year we really worked on it, to \$700,000 the next year, to a million dollars.

Now, it did two things. It kept a good many families off of aid to dependent children that, otherwise, we would have had to take care of. In some other cases, we did not get enough money coming back in, to entirely take the family off, but it reduced the amount of the assistance payment.

Mr. DENTON. You say well over a million dollars were saved?

Dr. WINSTON. Yes.

Mr. DENTON. Do you think you can save more if you press it harder?

Dr. WINSTON. Well, we were doing very well. A number of county departments had a special attorney to handle this.

Mr. DENTON. That is just your State?

Dr. WINSTON. Yes.

Mr. DENTON. Multiply that by 50; that would be a pretty substantial sum.

Dr. WINSTON. Well, now, as I say, it did two things. There were some few cases we took off, but secondly what it did was to reduce the numbers coming on because you made the father responsible.

Mr. DENTON. Yes. Sure.

APPROPRIATION DIVORCED FROM DIRECT CONGRESSIONAL CONTROL

You know, I always feel so helpless when I talk to this agency of yours. We are glad to see you, but I think you must think we are about as useless as anybody, because, no matter what we do to your appropriation, why, some of the people out in the field will spend all they want to and what we do has nothing to do with it. You simply ask for a deficiency appropriation.

Now, it is an agency that I just do not understand. The county council in my State that makes the appropriation locally for this agency say they cannot do anything about welfare appropriations; the State legislature says they cannot do anything with welfare. We can cut this appropriation but you will be in here for a supplemental appropriation, if somebody out in the field spends more money than should be spent.

Now, here is an appropriation that is not controlled by any legislative body. It is not controlled by any elective body. It is controlled by some people who got their job—they probably were not even appointed by an elective official, but they were appointed by somebody who was appointed by an elective official. And if that is democracy, if that is representative government, I do not know it, because here is an agency that is responsible to nobody.

I just wonder how much control you people have over these State agencies.

CONTROL OF STATE AGENCIES

Mr. HURLEY. Well, sir, of course a State has to develop its plan, and have that approved before it can have any expenditure.

Mr. DENTON. That is right. In my State, in Indiana, one time the legislature changed the law so that it did not comply with the Federal law. When Indiana's payment was stopped, Congress modified the law so Indiana's change was in accordance with the law.

Mr. HURLEY. At the very same time, the States are also subject to audit. These expenditures which are made are subject not only to State audit, but are subject to our audit. We have our staff that review operations. The matter of the unpredictability of what the welfare load might be in a community means that sometimes expenditures go beyond what they have expected.

Mr. DENTON. They always do, do they not?

Mr. HURLEY. No. Not always.

They are controlled in that way, through those plans.

In other words, the payments that are made have to be made under a plan; they are subject to review and audit.

Mr. DENTON. Another thing about this law.

Mr. KELLY. Could we just add one further statement—that the law we are administering is a law that was enacted by Congress.

Mr. DENTON. I will grant you that.

Mr. KELLY. And in the 10 years that I have been with the Department, I think that the law has been liberalized five or six times. Each of those times the amendments have included some liberalizing features, not recommended by the administration at that time.

RELATIONSHIP OF WELFARE AND SOCIAL SECURITY

Mr. DENTON. The welfare law was passed long before any of us were here, as Members; but I was in the State legislature shortly after that and I am going to talk just a little bit about that; when I was in the State legislature it was just 1 year after Indiana passed the welfare legislation in special session. They told us that social security and unemployment insurance were permanent programs that would eventually cover everyone. But we had at that time men who were too old to establish the social security reserve. They had been wiped out in the depression and they helped make America what it was, and it was not right they should be in want. So we set up this welfare system to take care of them. It was half charity and it was half pension; sort of in between. And the theory was—what they told us then—that very shortly, everybody would be under social security, and we would not need this plan any more. Ninety percent of the people are now under some form of pension, either civil service, railroad retirement, or social security.

Now I cannot expect any man to be receiver of his own operation, but it looks to me like something ought to be done to bring down that number of people on welfare and get it in line with what we originally intended.

Mr. Mitchell said last year, that was not the case—that it was never contemplated that welfare was only a stopgap. I went back and got some records where Mr. Altmeyer, the man who wrote the law, had a colloquy with Frank Keefe, and, finally, one with me when I first went on the committee, in which Mr. Altmeyer said if we just got the farmers under social security, that would take care of it and social security would take care of these cases.

That has been some years now since farmers were placed under social security.

Mr. HURLEY. Since 1955.

Mr. DENTON. Everybody else has been under it 25 years.

Now I do not think we are accomplishing what we were told we were going to do. That is another thing I do not like about welfare.

Mr. HURLEY. Except here again, you have the amount of basic benefit in social security. Under old-age assistance, we are supplementing something like 700,000 insurance beneficiaries.

Mr. DENTON. That is right. That is not over \$20.

Mr. HURLEY. But it is still numbers, when you talk about the numbers.

Mr. DENTON. We do not pay over \$12 or \$14 per month from the Government in these cases. That is a small percentage of money, there.

Mr. FOGARTY. Did you want to say something?

REDUCTION IN NUMBER OF OLD-AGE ASSISTANCE RECIPIENTS

Dr. WINSTON. Well, I think this chart is a good demonstration of how the number of old-age assistance recipients is going down, as the number of OSI beneficiaries is going up, and, picking up on Mr. Hurley's point, more than a third of our old-age assistance recipients are

people who are also getting social security benefits that we have to supplement.

Then we have almost another third who are the widows of men who were not covered, and, increasingly, our load is made up of elderly women. Then we only have about a third who are still there for other reasons.

Mr. DENTON. Well, what do you think will happen? How many years will it take?

Dr. WINSTON. Well, I think we are going to continue to have a residual program, because there will always be some people who are not covered, and we are going to have to supplement, over the years, people who are getting the minimum social security benefits.

Mr. FOGARTY. It depends on Congress.

Mr. DENTON. Yes.

Dr. WINSTON. It will depend on the Congress.

Mr. DENTON. If Congress makes social security adequate, well, then, you will not have that problem.

Dr. WINSTON. If it is high enough; but if the programs remain at the same level, it will be a continuing trend.

Mr. DENTON. I appreciate that, and I appreciate the standards of coverage of welfare; but what I cannot understand is this: here is money that is taken out of the U.S. Treasury, and both the State and local governments. Local government can afford it much less than the Government can. We have perpetuated that program which was supposed to be a temporary stopgap and we have put new features into it, instead of giving it to social security, which is on a business-like basis, pay-as-you-go basis.

STATE COSTS OF ADMINISTERING WELFARE

Now we were told several years ago, that the cost of administering welfare ran as high as 24 percent in one State. In some of the other States, it was very low; some 2 and 3 percent.

There is something radically wrong with that, if that is the case. That was several years ago, that we were told that. Do you have a record on that?

Mr. HURLEY. About the cost of administration?

Dr. WINSTON. We have a record. We do not have it with us. We will give it to you.

Mr. DENTON. Put it in the record.

Dr. WINSTON. Yes, sir.

(The information follows:)

The material referred to follows. Also included is information on administrative costs per case-month (table 2), which affords a better basis for comparison among States than the ratio of administrative costs to total costs. The cost per case-month shows what the agency spends in relation to the number of cases receiving assistance, which is a rough measure of workload. The ratio figures, on the other hand, are influenced by the size of the average assistance payment. Thus if agency A has an average assistance payment of \$50 and agency B has an average payment of \$100, the ratio of administrative costs to total expenditures will be twice as high in agency A as in agency B even though both agencies spend exactly the same amount on administrative costs.

TABLE 1.—*Cost of State and local administration of public assistance as a percent of combined costs of assistance and administration, by program and State, fiscal year 1962*

State	Old-age assistance	Medical assistance for the aged ¹	Aid to families with dependent children	Aid to the blind	Aid to the permanently and totally disabled
Total.....	6.0	6.0	10.1	8.5	10.4
Alabama.....	4.2		8.8	5.1	7.6
Alaska.....	7.9		5.5	9.6	(²) 15.4
Arizona.....	2.3		3.1	4.8	(²) 9.8
Arkansas.....	3.7		7.7	3.8	15.4
California.....	6.9		13.8	10.1	11.0
Colorado.....	3.9		12.8	8.9	8.4
Connecticut.....	5.6		9.4	6.1	15.8
Delaware.....	9.5		10.2	13.7	7.8
District of Columbia.....	9.6		9.3	7.6	9.2
Florida.....	4.8		9.1	5.5	7.8
Georgia.....	5.7		7.6	6.2	13.9
Guam.....	11.5		6.1	17.0	9.2
Hawaii.....	8.9	3.4	11.8	24.4	9.0
Idaho.....	4.0		6.7	6.4	9.9
Illinois.....	9.1		9.0	12.7	(²) 15.8
Indiana.....	9.3		10.5	15.3	8.3
Iowa.....	6.8		9.4	8.1	7.2
Kansas.....	6.8		8.5	8.0	14.5
Kentucky.....	4.5	31.3	6.1	6.8	8.3
Louisiana.....	3.9		12.8	5.9	9.0
Maine.....	4.3		7.4	4.3	6.4
Maryland.....	5.2	6.2	9.9	5.3	9.2
Massachusetts.....	8.4	5.0	10.1	6.0	12.5
Michigan.....	7.1	2.4	6.2	4.5	6.4
Minnesota.....	5.1		9.0	6.5	6.4
Mississippi.....	5.8		13.7	6.3	14.5
Missouri.....	4.6		7.8	8.4	10.2
Montana.....	7.8		10.2	15.5	(²) 14.8
Nebraska.....	7.2		8.8	7.0	14.5
Nevada.....	7.0		12.6	14.4	7.3
New Hampshire.....	6.8		10.0	8.0	10.7
New Jersey.....	8.0		9.5	13.1	10.4
New Mexico.....	6.9		8.7	7.8	6.1
New York.....	14.2	6.0	13.1	17.8	9.7
North Carolina.....	5.6		7.7	12.0	9.7
North Dakota.....	7.9		9.7	16.7	8.4
Ohio.....	5.9		8.1	14.3	10.6
Oklahoma.....	3.1	3.6	4.8	3.8	9.7
Oregon.....	8.6		11.3	8.1	11.9
Pennsylvania.....	7.8		9.6	5.6	18.3
Puerto Rico.....	13.0		11.5	19.3	10.2
Rhode Island.....	8.6		9.3	10.5	8.0
South Carolina.....	5.6		8.8	7.0	10.3
South Dakota.....	6.4		10.8	10.1	8.4
Tennessee.....	6.1		8.3	5.8	10.6
Texas.....	3.1		8.0	4.1	5.8
Utah.....	5.5		10.1	3.9	9.7
Vermont.....	5.4		10.1	8.4	13.1
Virgin Islands.....	14.6	44.5	19.9	19.2	11.9
Virginia.....	7.9		10.2	9.8	7.7
Washington.....	5.3	4.0	9.6	6.7	9.3
West Virginia.....	5.1	13.1	4.1	5.1	9.5
Wisconsin.....	7.3		9.0	9.5	9.0
Wyoming.....	8.5		13.2	8.6	

¹ Amount shown only for States with program in operation 1 year or more.

² No program.

TABLE 2.—Administrative costs per case month, by program, fiscal year 1962

State	Cost per case month				
	Old-age assistance	Aid to families with dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance
Total.....	\$4.46	\$13.51	\$7.03	\$8.11	¹ \$16.32
Alabama.....	2.62	4.17	2.36	3.34	14.80
Alaska.....	5.95	6.60	8.01	(²)	22.15
Arizona.....	1.40	3.82	3.66	(²)	4.92
Arkansas.....	2.02	4.96	2.25	4.69	5.31
California.....	7.12	26.72	12.71	18.84	17.49
Colorado.....	3.92	18.93	7.69	8.62	14.94
Connecticut.....	6.89	18.09	7.04	11.75	(³)
Delaware.....	5.17	10.37	11.24	11.77	11.66
District of Columbia.....	8.67	15.46	5.78	6.38	24.63
Florida.....	3.01	6.21	3.61	6.62	(³)
Georgia.....	2.85	7.08	3.42	4.31	3.80
Guam.....	3.51	4.50	5.36	4.45	(⁴)
Hawaii.....	6.45	19.12	28.79	10.01	16.95
Idaho.....	3.00	11.05	4.95	6.09	(³)
Illinois.....	8.10	19.05	12.97	10.38	21.37
Indiana.....	6.83	12.49	13.73	(²)	(³)
Iowa.....	6.13	13.16	8.68	12.45	(³)
Kansas.....	6.12	13.31	7.41	7.98	18.09
Kentucky.....	2.46	5.84	4.36	4.81	(³)
Louisiana.....	3.08	14.29	5.03	.957	9.86
Maine.....	3.06	8.02	3.04	6.40	(³)
Maryland.....	3.62	13.99	3.65	4.74	15.08
Massachusetts.....	7.75	18.19	7.75	12.98	20.33
Michigan.....	5.98	9.19	3.75	6.30	(³)
Minnesota.....	5.16	15.87	7.47	6.07	(³)
Mississippi.....	2.17	5.67	2.54	4.91	(³)
Missouri.....	2.92	8.00	5.99	4.31	5.03
Montana.....	5.52	14.61	13.65	12.39	8.31
Nebraska.....	5.98	11.32	7.05	8.76	(³)
Nevada.....	5.98	15.35	16.39	(²)	(³)
New Hampshire.....	6.55	17.63	7.91	17.74	(³)
New Jersey.....	7.21	17.24	13.12	14.28	25.77
New Mexico.....	5.03	12.00	5.63	8.47	(³)
New York.....	13.44	27.25	21.12	16.71	28.90
North Carolina.....	2.88	7.11	7.65	4.58	6.97
North Dakota.....	7.33	16.32	15.00	11.97	25.80
Ohio.....	4.90	10.34	12.83	8.62	11.27
Oklahoma.....	2.66	6.15	3.78	6.27	(³)
Oregon.....	7.85	19.26	8.17	9.83	12.63
Pennsylvania.....	5.89	13.80	4.42	8.32	10.78
Puerto Rico.....	1.31	1.91	1.97	1.93	2.03
Rhode Island.....	7.07	15.20	9.74	9.75	16.87
South Carolina.....	2.48	5.47	3.67	3.98	(³)
South Dakota.....	5.09	12.07	7.00	7.36	(³)
Tennessee.....	2.88	6.34	2.90	4.24	(³)
Texas.....	1.88	6.78	2.56	6.44	(³)
Utah.....	4.48	15.05	3.27	5.06	12.27
Vermont.....	4.14	12.05	5.63	6.79	(³)
Virgin Islands.....	5.95	14.61	7.56	6.29	11.73
Virginia.....	4.66	11.09	6.57	8.17	10.99
Washington.....	4.98	14.82	6.99	7.52	13.74
West Virginia.....	2.26	4.47	2.47	4.50	4.43
Wisconsin.....	7.05	15.33	9.27	10.98	(³)
Wyoming.....	7.13	21.33	7.29	7.65	31.40

¹ Data for 33 States reporting completely.² No program.³ Data not available.⁴ Not computed; base less than 50 recipients.

Mr. DENTON. Here is another thing about welfare. Mrs. Winston lives in North Carolina; I live in Indiana. We pay Federal taxes on the same basis as they do in Rhode Island, Michigan, and New York; yet the people in my State, who pay the same taxes as they do in the other States, do not begin to get the benefit they get in Rhode Island and New York, and I could add Louisiana, Oklahoma, and Colorado.

Now, it just is not fair to have that kind of a law. To make a long story short, I read your justification; that is, your first edition, and I saw very little mention there about any way to cut down on the relief rolls, and get rid of the chiselers, and make the fathers support their children, and things like that. It was all planning to make a bigger program, and as one person in the welfare office told me, anybody that did not try to build up their agency and its program was not worth their salt. I would have felt much better, when I read your justification, if I saw some plans in there, to make welfare what they told me it would be when the law was enacted. When was it, 1934?

Mr. HURLEY. 1935.

Mr. DENTON. Do you have any comment to make on that?

Mr. HURLEY. Well, I think there is no question that the passage of these 1962 amendments, in our view, is the most important thing that has happened to public welfare since 1935; because, by and large, I think unless you have a focus on service with respect to this program, you are going to continue to spend money and not get the full return.

Mr. DENTON. I will be pleased when I see the rehabilitation taking effect.

TRAINING WELFARE WORKERS

Mr. HURLEY. I think so; but the other point also is it takes some time. It cannot be done immediately. You have to get the staff; they have to be trained. We are hurting very badly, in many places, for staff, as you know; and also, on this, we need to have money to train the staff.

Mr. DENTON. I appreciate that about training people. Here is what worries me about it, though. I was told this was going to be a stopgap program. They are not paying welfare workers enough, out in the field, to warrant having much of an education, and it is expected to be a stopgap.

Mr. HURLEY. I think this legislation, passed by the Congress, is going to change that. I think the image of public welfare is going to be changed as a result of this, but I think that has to be demonstrated, as you say, too; but I do not think that can be done just overnight.

Mr. WYNKOOP. Mr. Denton, we talked with you about this before; but, you know, since 1950 the number of old age recipients has dropped from 2.7 to 2.2 million roughly. During that same period, we have had an increase of 5 million aged persons in the population, so, taken as a percentage of the aged population, it has dropped by about 50 percent.

Mr. DENTON. The present aged drawing welfare benefits were born in the panic of 1892, and along about there. And they always tell me that there was a low birth rate at depression times. I do not know, but maybe people are living longer.

But when I went on this committee, in 1951, we spent \$1 billion on welfare. Now you are almost up to \$3 billion. You have gone up \$1 billion since 1960—in 3 years. I do not know of any program that has increased as much as this.

Mr. WYNKOOP. The chairman wrote to the Secretary about this same matter, Mr. Denton, a little over a year ago; and as a result of this, we prepared quite an exhaustive analysis. I do not know whether you have seen this letter, but it showed that of this increase, between 1949 and 1961, of \$1,256 million, 46 percent was attributable to new programs that had been passed by the Congress, and another 48 percent was due to increases in the Federal share of the average monthly payment per recipient, part of which was due to liberalization by the Congress.

EFFECT OF COMPLETE SHIFT FROM WELFARE TO SOCIAL SECURITY

Mr. DENTON. I will grant you that but there is not a thing that you do that social security does not do except medical care. Now, what I cannot understand is why they are not taking up a bigger share of the load.

I realize that we have to supplement benefits, and all that.

Mr. KELLY. I think that we ought to make two further points, Mr. Denton, before we leave it:

One is the one Mr. Wynkoop was making. I think it was in 1950, that 22 or 23 percent of the aged population were drawing assistance, and today, this is only 13 percent. But it seems to me that another point which should be made is that if you were to endeavor to take care of all the persons that are provided for under the public assistance program through social security, recognizing that these persons have not paid in a payroll tax contribution, and that the Federal Government would have to make the payment out of general revenues, several things would happen:

(1) You would relieve the local and State governments of what they are now contributing to this dependent group;

(2) You would make eligible, without a means test, all persons of the same age who have not been so dependent that they had to seek financial assistance through a public welfare program. You would have inaugurated a tremendously expensive program.

As a matter of fact, if you did it just for the aged group alone, you would have spent something in the neighborhood of \$2 billion that you are not now spending.

Mr. DENTON. When do you think you can get the aged program down so it is one system?

Mr. KELLY. I have some reservations myself that this will ever occur.

Mr. DENTON. Let me just ask a few more questions.

Mr. WYNKOOP. Mr. Denton, one more point on the matter of the release of persons from mental hospitals. Now, you are beginning to have that reflected.

Mr. HURLEY. This is one of our administrative actions which has the effect of reducing the overall costs to society. This is a group who, before this, were not eligible for public assistance.

FORMER DUTIES OF ELIGIBILITY REVIEW PERSONNEL

Mr. DENTON. You have 75 people here, and 1,000 in the field. Let us get back to the eligibility review. What were they doing before this?

Mr. HURLEY. Well, sir, they were doing all the various things in the Bureau that need doing, which are not being done during this particular time.

Mr. DENTON. Tell me what they did. They reviewed programs; demonstration projects.

Mr. HURLEY. Well, we had, for example, action on the State plans. We have not been able to review State plans in the area of services due to some of this absenteeism.

Mr. DENTON. How many people do you have, to review the State plans?

Mr. HURLEY. In the review of State plans, we have about 10 people, I would say, overall.

Mr. DENTON. Ten people.

Mr. HURLEY. Yes.

Mr. DENTON. Those 10, you have taken off. Where did you get the other 65?

Mr. HURLEY. Well, we have taken staff that have been working in the area of medical care, developing standards in medical care. We have taken the group of people who have been working on the review of other actions taken by States. We have three people from technical training, who should be developing materials for the training of State people, who are out doing this review at this time.

We have persons in our fiscal area, who should be developing and refining policy; that should be done, and they are out doing the review.

Mr. DENTON. You are getting along without them.

Mr. HURLEY. We are not getting along. All we are doing is just keeping our heads above water; just meeting the emergencies as they come. We have a tremendous backlog of work.

Mr. DENTON. Who is doing the work out in the field? Those thousand that you have?

Mr. HURLEY. Well, the thousand in the field are State people. I may add, about our own staff, that I have been talking about the central office staff. Now, we have also taken all of our regional people—our professional staff in the regional office, except the regional representative. He is the only one who is there, who is minding the store, as it were, and the rest are out doing the review.

ADDITIONAL POSITIONS

Mr. DENTON. You have 95 additional positions asked for in the supplement. Are they working for you?

Mr. KELLY. No, sir. We have not received those funds yet.

Mr. DENTON. How many are you asking for additionally here in the 1964 budget?

Mr. WYNKOOP. Thirty-one.

Mr. DENTON. You are asking for 31 more. You are asking for 200 more employees?

Mr. HURLEY. Sir, I do not think you can add the ones that are out in the field for a 3-month period; and the group in the field is the 75 people we spoke about.

Mr. DENTON. All right. This is still a pretty high increase, is it not? Ninety-five and 31, a total of 126?

Mr. HURLEY. Well, at the same time, sir, I think that the amendments of 1962 are the most significant and the most far-reaching changes that have been made. It is a wonderful, wonderful change in the law but it takes staff to implement it.

Mr. WYNKOOP. Mr. Denton, I can speak particularly to the budget area. I know the people in the Bureau of Family Services have worked the last 3 weekends, and on occasions, have worked as late as 12 o'clock, trying to get some of this material ready. Now, this is not right, and the reason that they—

Mr. DENTON. Do you mean they were trying to get it for this hearing?

Mr. WYNKOOP. No, sir. The regular budget material that has to be developed, and the regular fiscal reports, and the type of things that are just ongoing business. I have been in Government for 30 years, and I have never seen an organizational unit as much understaffed as the Bureau of Family Services.

Mr. DENTON. Well, you have 300-plus people working down there now.

COST OF ADMINISTERING WELFARE PROGRAM

Mr. WYNKOOP. We are administering a \$3 billion program, Mr. Denton, with all of the problems you have been talking about.

Mr. DENTON. It takes so much to administer this program; much more than social security.

Mr. KELLY. The total cost of the State and local administration in the welfare program, I think, was 8 percent of the total.

Dr. WINSTON. I think we need to make some clarification here, too, on administration cost, Mr. Denton. We are not just administering a program of direct payments to people who meet certain requirements under the law, but we have to determine eligibility, which takes a great deal of time. We are administering a service program where we are working with these families who have the most serious problems of an individual and family character in our society.

Mr. DENTON. You do that in the field, not in Washington.

Dr. WINSTON. Yes, sir, that is right, but it affects the overall administrative cost, so there is much more that goes into this program than simply making payments to people, and it is these other things that are so expensive, and that need to be sorted out because they look as though they are raising our administrative costs.

Mr. DENTON. If I thought you people had more control over the State welfare offices or the local offices, I would be more sympathetic. I sometimes wonder if you have as much control over them as our action on the Appropriations Committee has on you.

We do not have any. As I said, I am glad to see you, but under the circumstances, it is pretty futile for either of us to try to put controls on the program.

Dr. WINSTON. This is the way the law is written, that this is a State-administered program or a locally administered program under State

supervision. Now, I recognize this fact very keenly now, because I operated a State-supervised, locally administered system and we had the same questions come up with regard to State accountability, when responsibility for administration was primarily at the local level.

FEDERAL REGULATIONS RELATING TO PUBLIC ASSISTANCE PROGRAM

Mr. DENTON. That is all I have except for one thing. I would like to have put in the record, at this point, the excerpt from the Federal Register setting forth the Federal regulations relating to this program. (The regulations referred to follow:)

CHAPTER II—BUREAU OF PUBLIC ASSISTANCE, SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 201—ASSISTANCE TO STATES

SUBPART A—APPROVAL OF STATE PLANS FOR PUBLIC ASSISTANCE AND CERTIFICATION OF GRANTS

Sec.

- 201.1 General.
- 201.2 Approval of State plans and amendments.
- 201.3 Grants.
- 201.4 Withholding certification.

SUBPART B—REVIEW AND AUDITS

- 201.5 Continuing review of State and local administration.
- 201.6 Public assistance fiscal audits.

AUTHORITY: §§ 201.1 to 201.6 issued under secs. 1-6, 401-406, 1001-1006, 49 Stat. 620-622, as amended, 627-629, as amended, 645-647, as amended, secs. 1401-1405, 64 Stat. 555-557, as amended; 42 U.S.C. 301-306, 601-606, 1201-1206, 1351-1355.

Source: §§ 201.1 to 201.6 appear at 20 F.R. 9343, Dec. 14, 1955.

SUBPART A—APPROVAL OF STATE PLANS FOR PUBLIC ASSISTANCE AND CERTIFICATION OF GRANTS

§ 201.1 General.

The State plan is a comprehensive statement prepared by the State public assistance agency describing all pertinent aspects of its operations necessary for the Social Security Administration to reach a determination as to conformity with the specific requirements stipulated in the Social Security Act. The State plan sets forth the basic State laws enabling and limiting the administration of public assistance; a description of the agency's organization and functions; its rules and regulations governing personnel administration; policies and interpretations with regard to eligibility conditions and methods of determining the amount of assistance; fiscal operations; and reporting and research activities. Detailed instructions and suggestions for the content and submittal of the documents comprising the State public assistance plan are contained in the instructions in "Submittal of State Public Assistance Plans" in the Handbook of Public Assistance Administration.

§ 201.2 Approval of State plans and amendments.

The set of documents setting forth the State's plan may be submitted as one plan covering the four types of assistance where the programs have a common basis of administration, or a separate plan covering any one of the four assistance programs. After approval of the original plan by the Commissioner of Social Security, all relevant changes such as new statutes, rules, regulations, interpretations, and court decisions are required to be submitted currently so that the Commissioner may determine the status of State plans for purposes of certification of grants from time to time.

(a) *Submittal.* The State public assistance plan and revisions of the plan are submitted to the Bureau of Public Assistance through the regional office. The States are encouraged to obtain consultation of the regional staff when the plan is in process of preparation or revision.

(b) *Review.* The regional public assistance representatives are responsible for review of State plans, and they also initiate discussion with the State agency on clarification of significant aspects of the plan which come to their attention in the course of this review. State plan material on which the regional staff has

questions concerning the application of Federal policy is referred with recommendations as required to the Washington office for decision. Comments and suggestions, including those of consultants in specified areas of public assistance administration, may be prepared by the central office for use by the regional representatives in negotiations with the State agency.

(c) *Approval.* The Bureau of Public Assistance has been delegated authority of initial approval of State plans as provided in Titles I, IV, X, and XIV of the Social Security Act and for approval of amendments of State plans; the Commissioner has final authority for approval of new plans. The Bureau advises the State public assistance agency of the approval of State plans or revisions, or the need for clarifying information.

§ 201.3 Grants.

To States with approved plans, grants are made each quarter for assistance and administration. The determination as to the amount of a grant to be made to a State public assistance agency is based upon three documents submitted by the State containing information required under the Social Security Act and such other pertinent facts as may be found necessary.

(a) *Form and manner of submittal*—(1) *Time and place.* The estimates for public assistance grants for each quarterly period are forwarded to the regional office 45 days prior to the period of the estimate, together with a certificate of State funds available and a statement in support of the estimates. The statement of quarterly expenditures and any necessary supporting schedules are forwarded to the Department of Health, Education, and Welfare, Bureau of Public Assistance, Attention: Fiscal Branch, Washington 25, D.C., not later than 30 days after the end of the quarter.

(2) *Description of forms.* (i) "Report of Estimated Expenditures and Funds to be Available" (Forms PA-101, PA-102, PA-103, or PA-145 for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, respectively) represents the State agency's estimate of the number of recipients to receive aid during each of the three months of the quarter. The forms also contain the estimated average assistance payment per recipient, and the estimated expenditures for assistance and administration, from which are computed the total funds to be advanced during the quarter. Estimated expenditures that exceed the Federal statutory maxima for payments to individuals are not to be included in computing the Federal grant and are deducted from the total estimate. In addition, the report of the estimated expenditures indicates the amount of State and local funds appropriated and available for public assistance during the pertinent quarter.

(ii) In addition, the State agency must certify as to the amount of State funds (exclusive of any balance of assistance received from the Federal government) actually on hand and available for expenditure; this certification must be signed by the executive officer of the State agency submitting the estimate material, or a person officially designated by him, or by a fiscal officer of the State if required by State law or regulation. (Form PA-151, "Certificate of Availability of State Funds for Assistance and Administration during Quarter," is available for submitting the information but is not required to be used.) If the amount of State funds, or State and local funds if localities participate in the program, shown as available for expenditures, is not sufficient to cover the State's proportionate share of the amount estimated to be expended, the certification should contain a statement showing the source from which the amount of the deficiency is expected to be derived and the time when this amount is expected to be made available.

(iii) The third document submitted by the States is the quarterly statement of expenditures for each of the categories. This is an accounting statement of the disposition of the Federal funds granted for past periods, and reflects the adjustments necessary because the State's estimate for any prior quarter was greater or less than the amount which the State expended. The statement of expenditure also shows the share of the Federal government in any recovery of assistance from recipients and also expenditures not properly subject to Federal financial participation which are acknowledged by the State agency or have been revealed in the course of the fiscal audit.

(b) *Review.* The State's estimates are analyzed by the regional office staff and are forwarded with recommendations as required to the central office. The central office of the Bureau reviews the State's estimate, other relevant in-

formation, and any adjustments to be made for prior periods, and computes the grant.

(c) *Estimate of amount due and certification.* Upon consideration and approval of the grant request, the Commissioner of Social Security estimates the amount to be paid to the States and certifies it to the Secretary of the Treasury for the ensuing quarter. Payment to the State is made by the Secretary of the Treasury for each month of the quarter.

§ 201.4 Withholding certification.

(a) *When withheld.* Certifications of grants to States are withheld, after reasonable notice and opportunity for hearing, in the following circumstances:

(1) When the State has changed the plan so as to impose any requirement prohibited in the Social Security Act, or when in the administration of the plan any such prohibited requirement is imposed, with the knowledge of the State agency, in a substantial number of cases; or

(2) If in the administration of the plan there is a failure to comply substantially with any provision required by the act to be included in the plan.

(b) *Informal discussions.* Such hearings are generally not called, however, until after reasonable effort has been made by regional and central office representatives to resolve the questions involved by conference and discussion with State officials. Formal notification of the date and place of hearing does not foreclose further negotiations with State officials.

(c) *Hearings.* Hearings are held in accordance with the provisions of sections 4, 404, 1004, and 1404 of the Social Security Act. The requirements of sections 5 to 8 of the Administrative Procedure Act are observed in conducting the hearings.

(d) *Notice of non-certification.* If after such hearing it is found that funds should be withheld, the State agency is notified that further payment will not be made to the State until it is shown that such prohibited requirement is no longer imposed and that there is no longer any such failure to comply. Until then, further certification to the Secretary of the Treasury is not made with respect to such State plan. (Sections 4, 404, 1004, and 1404 of the Social Security Act.)

SUBPART B—REVIEW AND AUDITS

§ 201.5 Continuing review of State and local administration.

(a) In order to provide a basis for determining that State welfare departments are adhering to Federal requirements and to the substantive legal and administrative provisions of their approved plans, the Bureau of Public Assistance conducts a review of State and local public assistance administration.

(b) The administrative review includes analysis of procedures and policies of State and local agencies and review of records of individual recipients. A statistically valid State-wide sample of case records of recipients is selected and reviewed at periodic intervals to determine whether eligibility has been properly established. Selected case records are also reviewed for evaluating adherence to the other Federal requirements set forth in the public assistance titles of the Social Security Act. If the review reveals cases in which there appears to have been an improper claim for Federal funds, the State agency is given an opportunity to provide information to substantiate the payment, or to make an adjustment on its expenditure report. If serious problems are revealed in respect to compliance with Federal requirements, action to adjust Federal funds in all cases affected is required of the State agency; the State agency is also required to correct its practice so that there will be no recurrence of the problem in the future.

§ 201.6 Public assistance fiscal audits.

(a) Annually, or at other times as necessary, the State public assistance agency's claims for Federal funds and supporting records are audited by the Division of Grant-in-Aid Audits of the Office of Field Administration of the Department of Health, Education, and Welfare to determine that the agency has properly reported its accountability for grants of Federal funds for public assistance; the amounts granted for assistance payments were actually disbursed to individuals or on behalf of individuals where medical care was concerned, who had been determined by the agency to be entitled to public assistance under the appropriate category; administrative expenditures claimed for Federal financial participation are proper under the Federal act and State plan, including

State laws and regulations; amounts expended and used as the basis for claiming Federal funds under Titles I, IV, X, and XIV were not derived from other Federal sources or were not used as a basis for other Federal matching; and the share of the Federal government in any recovery was accurately and promptly adjusted.

(b) If the audit results in no exceptions, the State public assistance agency is advised by letter of this result. The general course for the disposition of exceptions resulting from audits involves the submittal of details of these exceptions to the State public assistance agency which then has an opportunity to concur in the exceptions or to assemble and submit additional facts for purposes of clearance. Provision is made for the State agency to appeal audit exceptions in which it has not concurred and which have not been deleted on the basis of clearance material. After consideration of a State agency appeal, the Commissioner advises the State agency of any expenditures in which the Federal government may not participate and requests it to include the amount as adjustments in a subsequent statement of expenditures. Expenditures in which it is found the Federal government may not participate and which are not properly adjusted through the State's claim will be deducted from subsequent grants made to the State agency.

ADDITIONS IN CUMULATIVE SUPPLEMENT AS OF JAN. 1, 1962

PART 211—CARE AND TREATMENT OF MENTALLY ILL NATIONALS OF THE UNITED STATES, RETURNED FROM FOREIGN COUNTRIES [ADDED]

- Sec.
 211.1 General definitions.
 211.2 General.
 211.3 Certificates.
 211.4 Notification to legal guardian, spouse, next of kin, or interested persons.
 211.5 Action under State law; appointment of guardian.
 211.6 Reception; temporary care, treatment, and assistance.
 211.7 Transfer and release of eligible person.
 211.8 Continuing hospitalization.
 211.9 Examination and reexamination.
 211.10 Termination of hospitalization.
 211.11 Request for release from hospitalization.
 211.12 Federal payments.
 211.13 Financial responsibility of the eligible person; collections, compromise, or waiver of payment.
 211.14 Disclosure of information.
 AUTHORITY: §§ 211.1 to 211.14 issued under sections 1-11, 74 Stat. 308-310; 24 U.S.C. 321-329.
 Source: §§ 211.1 to 211.14 appear at 26 F.R. 7128, Aug. 9, 1961.

§ 211.1 General definitions.

When used in this part:

(a) "Act" means Public Law 86-571, approved July 5, 1960, 74 Stat. 308, entitled "An act to provide for the hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes";

(b) The term "Secretary" means the Secretary of Health, Education, and Welfare;

(c) The term "Department" means the Department of Health, Education, and Welfare;

(d) The term "Director" means the Director of the Bureau of Public Assistance of the Social Security Administration, Department of Health, Education, and Welfare;

(e) The term "eligible person" means an individual with respect to whom the certificates referred to in § 211.3 are furnished to the Director in connection with the reception of an individual arriving from a foreign country;

(f) The term "Public Health Service" means the Public Health Service in the Department of Health, Education, and Welfare;

(g) The term "agency" means an appropriate State or local public or non-profit agency with which the Bureau has entered into arrangements for the provision of care, treatment, and assistance pursuant to the Act;

(h) The term "State" means a State or Territory of the United States, the Commonwealth of Puerto Rico, or the District of Columbia;

(i) The term "residence" means residence as determined under the applicable law or regulations of a State or political subdivision for the purpose of deter-

mining the eligibility of an individual for hospitalization in a public mental hospital.

(j) The term "legal guardian" means a guardian, appointed by a court, whose powers, duties, and responsibilities include the powers, duties, and responsibilities of guardianship of the person.

§ 211.2 General.

The Director shall make suitable arrangements with agencies to the end that any eligible person will be received, upon request of the Secretary of State, at the port of entry or debarkation upon arrival in the United States from a foreign country and be provided, to the extent necessary, with temporary care, treatment, and assistance, pending transfer and release or hospitalization pursuant to the Act. The Director shall also make suitable arrangements with appropriate divisions of the Public Health Service, Bureau of Medical Services, with Saint Elizabeths Hospital in the District of Columbia, with Federal hospitals outside of the Department, or with other public or private hospitals to provide the eligible person with care and treatment in a hospital. The Director shall maintain a roster setting forth the name and address of each eligible person currently receiving care and treatment, or assistance, pursuant to the Act.

§ 211.3 Certificates.

The following certificates are necessary to establish that an individual is an eligible person:

(a) *Certificates as to nationality.* A certificate issued by an authorized official of the Department of State, stating that the individual is a national of the United States.

(b) *Certificate as to mental condition.* Either (1) a certificate obtained or transmitted by an authorized official of the Department of State that the individual has been legally adjudged insane in a named foreign country; or (2) a certificate of an appropriate authority or person stating that at the time of such certification the individual was in a named foreign country and was in need of care and treatment in a mental hospital. A statement shall, if possible, be incorporated into or attached to the certificate furnished under this paragraph setting forth all available medical and other pertinent information concerning the individual.

(c) *Appropriate authority or person.* For the purpose of paragraph (b) (2) of this section a medical officer of the Public Health Service or of another agency of the United States, or a medical practitioner legally authorized to provide care or treatment of mentally ill persons in the foreign country, is an "appropriate authority or person," and shall be so identified in his execution of the certificate. If such a medical officer or practitioner is unavailable, an authorized official of the Department of State may serve as an "appropriate authority or person," and shall, in the execution of the certificate, identify himself as serving as such person due to the unavailability of a suitable medical officer or practitioner.

§ 211.4 Notification to legal guardian, spouse, next of kin, or interested persons.

(a) Whenever an eligible person arrives in the United States from a foreign country, or when such person is transferred from one State to another, the Director shall, upon such arrival or transfer (or in advance thereof, if possible), provide for notification of his legal guardian, or in the absence of such a guardian, of his spouse or next of kin, or in the absence of any of these, of one or more interested persons, if known.

(b) Whenever an eligible person is admitted to a hospital pursuant to the Act, the Director shall provide for immediate notification of his legal guardian, spouse, or next of kin, if known.

§ 211.5 Action under State law; appointment of guardian.

Whenever an eligible person is incapable of giving his consent to care and treatment in a hospital, either because of his mental condition or because he is a minor, the agency will take appropriate action under State law, including, if necessary, procuring the appointment of a legal guardian, to ensure the proper planning for and provision of such care and treatment.

§ 211.6 Reception; temporary care, treatment, and assistance.

(a) *Reception.* The agency will meet the eligible person at the port of entry or debarkation, will arrange for appropriate medical examination, and will plan with him, in cooperation with his legal guardian, or, in the absence of such a

guardian, with other interested persons, if any, for needed temporary care and treatment.

(b) *Temporary care, treatment, and assistance.* The agency will provide for temporary care, treatment, and assistance, as reasonably required for the health and welfare of the eligible person. Such care, treatment, and assistance may be provided in the form of hospitalization and other medical and remedial care (including services of necessary attendants), food and lodging, money payments, transportation, or other goods and services. The agency will utilize the Public Health Service General Hospital nearest to the port of entry or debarkation or any other suitable public or private hospital, in providing hospitalization and medical care, including diagnostic service as needed, pending other appropriate arrangements for serving the eligible person.

§ 211.7 Transfer and release of eligible person.

(a) *Transfer and release to relative.* If at the time of arrival from a foreign country or any time during temporary or continuing care and treatment the Director finds that the best interests of the eligible person will be served thereby, and a relative, having been fully informed of his condition, agrees in writing to assume responsibility for his care and treatment, the Director shall transfer and release him to such relative. In determining whether his best interests will be served by such transfer and release, due weight shall be given to the relationship of the individuals involved, the financial ability of the relative to provide for such person, and the accessibility to necessary medical facilities.

(b) *Transfer and release to appropriate State authorities, or agency of the United States.* If appropriate arrangements cannot be accomplished under paragraph (a) of this section, and if no other agency of the United States is responsible for the care and treatment of the eligible person, the Director shall endeavor to arrange with the appropriate State mental health authorities of the eligible person's State of residence or legal domicile, if any, for the assumption of responsibility for the care and treatment of the eligible person by such authorities and shall, upon the making of such arrangements in writing, transfer and release him to such authorities. If any other agency of the United States is responsible for the care and treatment of the eligible person, the Director shall make arrangements for his transfer and release to that agency.

§ 211.8 Continuing hospitalization.

(a) *Authorization and arrangements.* In the event that appropriate arrangements for an eligible person in need of continuing care and treatment in a hospital cannot be accomplished under § 211.7, or until such arrangements can be made, care and treatment shall be provided by the Director in Saint Elizabeths Hospital in the District of Columbia, in an appropriate Public Health Service Hospital, or in such other suitable public or private hospital as the Director determines is in the best interests of such persons.

(b) *Transfer to other hospital.* At any time during continuing hospitalization, when the Director deems it to be in the interest of the eligible person or of the hospital affected, the Director shall authorize the transfer of such person from one hospital to another and, where necessary to that end, the Director shall authorize the initiation of judicial proceedings for the purpose of obtaining a commitment of such person to the Secretary.

(c) *Place of hospitalization.* In determining the placement or transfer of an eligible person for purposes of hospitalization, due weight shall be given to such factors as the location of the eligible person's legal guardian or family, the character of his illness and the probable duration thereof, and the facilities of the hospital to provide care and treatment for the particular health needs of such person.

§ 211.9 Examination and reexamination.

Following admission of an eligible person to a hospital for temporary or continuing care and treatment, he shall be examined by qualified members of the medical staff as soon as practicable, but not later than the fifth day after his admission. Each such person shall be reexamined at least once within each six month period beginning with the month following in which he was first examined.

§ 211.10 Termination of hospitalization.

(a) *Discharge or conditional release.* If, following any examination, the head of the hospital finds that the eligible person hospitalized for mental illness (whether or not pursuant to a judicial commitment) is not in need of such

hospitalization, he shall be discharged. In the case where hospitalization was pursuant to a judicial commitment, the head of the hospital may, in accordance with laws governing hospitalization for mental illness as may be in force and generally applicable in the State in which the hospital is located, conditionally release him if he finds that this is in his best interests.

(b) *Notification to committing court.* In the case of any person hospitalized under § 211.8 who has been judicially committed to the custody of the Secretary, the Secretary will notify the committing court in writing of the discharge or conditional release of such person under this section or of his transfer and release under § 211.7.

§ 211.11 Request for release from hospitalization.

If an eligible person who is hospitalized pursuant to the Act, or his legal guardian, spouse, or adult next of kin, requests his release such request shall be granted by the Director if his best interests will be served thereby, or by the head of the hospital if he is found not to be in need of hospitalization by reason of mental illness. The right of the Director, or the head of the hospital, to refuse such request and to detain him for care and treatment shall be determined in accordance with laws governing the detention, for care and treatment, of persons alleged to be mentally ill as may be in force and applicable generally in the State in which such hospital is located, but in no event shall the patient be detained more than forty-eight hours (excluding any period of time falling on a Sunday or a legal holiday observed by the courts of the State in which such hospital is located) after the receipt of such request unless within such time (a) judicial proceedings for such hospitalization are commenced or (b) a judicial extension of such time is obtained, for a period of not more than five days, for the commencement of such proceedings.

§ 211.12 Federal payments.

The arrangements made by the Director with an agency or hospital for carrying out the purposes of the Act shall provide for payments to such agency or hospital, either in advance or by way of reimbursement, of the costs of reception, temporary care, treatment, and assistance, continuing care and treatment, and transportation, pursuant to the Act, and payments for other expenditures necessarily and reasonably related to providing the same. Such arrangements shall include the methods and procedures for determining the amounts of the advances or reimbursements, and for remittance and adjustment thereof.

§ 211.13. Financial responsibility of the eligible person; collections, compromise, or waiver of payment.

(a) *For temporary care and treatment.* If an eligible person receiving temporary care, treatment, and assistance, pursuant to the Act, has financial resources available to pay all or part of the costs of such care, the Director shall require him to pay for such costs, either in advance or by way of reimbursement, unless in his judgment it would be inequitable or impracticable to require such payment.

(b) *For continuing care and treatment.* Any eligible person receiving continuing care and treatment in a hospital, or his estate, shall be liable to pay or contribute toward the payment of the costs or charges therefor, to the same extent as such person would, if a resident of the District of Columbia, be liable to pay, under the laws of the District of Columbia, for his care and maintenance in a hospital for the mentally ill in that jurisdiction.

(c) *Collections, compromise, or waiver of payment.* The Director may, in his discretion, where in his judgment substantial justice will be best served thereby or the probable recovery will not warrant the expense of collection, compromise, or waive the whole or any portion of, any claim for continuing care and treatment, and assistance, and in the process of arriving at such decision, the Director may make or cause to be made such investigations as may be necessary to determine the ability of the patient to pay or contribute toward the cost of his continuing care and treatment in a hospital.

§ 211.14 Disclosure of information.

(a) All certificates, records, reports, or other papers, or any information received at any time by the Secretary or by an officer or employee of the Department in the course of discharging the duties under the Act, and that are not otherwise a matter of public record, shall be kept confidential and shall not be disclosed except insofar:

(1) As the eligible person or his legal guardian, if any (or, if he is a minor, his parent or legal guardian), shall consent, or

(2) As disclosure may be necessary to carry out any functions of the Secretary under the Act, or

(3) As disclosure may be directed by the order of a court of competent jurisdiction.

(b) Where arrangements are made with an agency or hospital for care, treatment, and assistance pursuant to the Act, provisions shall be made to assure that no voluntary disclosure shall be made of any information received by such agency or hospital in the course of discharging the duties under such arrangement except as provided in paragraph (a) of this section.

(c) Nothing in this section shall preclude disclosure, upon proper inquiry, of information as to the presence of an eligible person in a hospital, or as to his general condition and progress.

PART 212—ASSISTANCE FOR UNITED STATES CITIZENS RETURNED FROM FOREIGN COUNTRIES [ADDED]

Sec.

212.1 General definitions.

212.2 General.

212.3 Eligible person.

212.4 Reception; initial determination, provision of temporary assistance.

212.5 Periodic review and redetermination; termination of temporary assistance.

212.6 Duty to report.

212.7 Repayment to the United States.

212.8 Federal payments.

212.9 Disclosure of information.

Authority: §§ 212.1 to 212.9 issued under section 302, 75 Stat. 142, section 1102, 49 Stat. 647; as amended; 42 U.S.C. 1313, 1302. Interprets or applies section 302, 75 Stat. 142, 42 U.S.C. 1313.

Source: §§ 212.1 to 212.9 appear at 26 F.R. 10481, Nov. 7, 1961.

§ 212.1 General definitions.

When used in this part:

(a) "Act" means section 1113 of the Social Security Act, as amended;

(b) The term "Secretary" means the Secretary of Health, Education, and Welfare;

(c) The term "Department" means the Department of Health, Education, and Welfare;

(d) The term "Bureau" means the Bureau of Public Assistance of the Social Security Administration, Department of Health, Education, and Welfare;

(e) The term "Director" means the Director of the Bureau of Public Assistance;

(f) The term "eligible person" means an individual with respect to whom the conditions in § 212.3 are met;

(g) The term "State" includes the Commonwealth of Puerto Rico and the District of Columbia;

(h) The term "United States" when used in a geographical sense means the States, the District of Columbia, and the Commonwealth of Puerto Rico;

(i) The term "agency" means State or local public agency or organization or national or local private agency or organization with which the Bureau has entered into agreement for the provision of temporary assistance pursuant to the Act;

(j) The term "temporary assistance" means money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health or welfare of individuals, including guidance, counseling, and other welfare services.

§ 212.2 General.

The Director shall develop plans and make arrangements for provision of temporary assistance within the United States to any eligible person, after consultation with appropriate offices of the Department of State, the Department of Justice, and the Department of Defense. Temporary assistance shall be provided, to the extent feasible, in accordance with such plans, as modified from time to time by the Director. The Director shall enter into agreements with agencies whose services and facilities are to be utilized for the purpose of providing temporary assistance pursuant to the Act, specifying the conditions governing the provision of such assistance and the manner of payment of the cost of providing therefor.

§ 212.3 Eligible person.

In order to establish that an individual is an eligible person, it must be found that:

(a) He is a citizen of the United States or a dependent of a citizen of the United States;

(b) A written statement has been transmitted to the Bureau by an authorized official of the Department of State containing information which identifies him as having returned, or been brought, from a foreign country to the United States because of the destitution of the citizen of the United States, or the illness of such citizen or any of his dependents, or because of war, threat of war, invasion, or similar crisis. Such statement shall, if possible, incorporate or have attached thereto, all available pertinent information concerning the individual. In case of war, threat of war, invasion, or similar crisis, a determination by the Department of State that such a condition is the general cause for the return of citizens of the United States and their dependents from a particular foreign country, and evidence that an individual has returned, or been brought, from such country to the United States shall be considered sufficient identification of the reason for his return to, or entry into, the United States; and

(c) He is without resources immediately accessible to meet his needs.

§ 212.4 Reception; initial determination, provision of temporary assistance.

(a) The Bureau, or the agency upon notification by the Bureau, will meet individuals, identified as provided in § 212.3(b), at the port of entry or debarkation.

(b) The Bureau or agency will make findings, setting forth the pertinent facts and conclusions, and an initial determination, according to standards established by the Bureau, as to whether an individual is an eligible person.

(c) The Bureau or agency will provide temporary assistance within the United States to an eligible person, according to standards of need established by the Bureau, upon arrival at the port of entry or debarkation, during transportation to his intermediate and ultimate destinations, and after arrival at such destinations.

§ 212.5 Periodic review and redetermination; termination of temporary assistance.

(a) The Bureau or agency will review the situation of each recipient of temporary assistance at frequent intervals to consider whether or not circumstances have changed that would require a different plan for him.

(b) Upon a finding by the Bureau or agency that a recipient of temporary assistance has sufficient resources available to meet his needs, temporary assistance shall be terminated.

§ 212.6 Duty to report.

The eligible person who receives temporary assistance, or the person who is caring for or otherwise acting on behalf of such eligible person, shall report promptly to the Bureau or agency any event or circumstance which would cause such assistance to be changed in amount or terminated.

§ 212.7 Repayment to the United States.

(a) An individual who has received temporary assistance shall be required to repay, in accordance with his ability, any or all of the cost of such assistance to the United States, except insofar as it is determined that:

- (1) The cost is not readily allocable to such individual;
- (2) The probable recovery would be uneconomical or otherwise impractical;
- (3) He does not have, and is not expected within a reasonable time to have, income and financial resources sufficient for more than ordinary needs; or
- (4) Recovery would be against equity and good conscience.

(b) In determining an individual's resources, any claim which he has against any individual, trust or estate, partnership, corporation, or government shall be considered, and assignment to the United States of such claims shall be taken in appropriate cases.

(c) A determination that an individual is not required to repay the cost of temporary assistance shall be final and binding, unless such determination was procured by fraud or misrepresentation of the individual or some other person, or the individual voluntarily offers to repay.

(d) A determination that an individual is required to repay any or all of the cost of temporary assistance may be reconsidered at any time prior to repayment of the required amount. A further determination shall be made with respect to his liability to repay the balance of such amount on the basis of new evidence as to whether (1) he has, or is expected within a reasonable time to have, income and financial resources sufficient for more than ordinary needs, or (2) recovery would be against equity and good conscience.

§ 212.8 Federal payments.

The agreement made by the Director with an agency for carrying out the purposes of the Act shall provide for payment to such agency, either in advance or by way of reimbursement, of the cost of temporary assistance provided pursuant to the Act, and payment of the cost of other expenditures necessarily and reasonably related to providing the same. Such agreement shall include the method for determining such costs, as well as the methods and procedures for determining the amounts of advances or reimbursement and for remittance and adjustment thereof.

§ 212.9 Disclosure of Information.

(a) No disclosures of any file, record, report, or other paper, or any information with respect to an individual obtained at any time by the Secretary or by any officer or employee of the Department in the course of discharging the duties of the Secretary under the Act shall be made except insofar:

(1) As the individual or his legal guardian, if any (or, if he is a minor, his parent or legal guardian), shall consent.

(2) As disclosure may be necessary to carry out any functions of the Secretary under the Act.

(3) As disclosure may be necessary to carry out any functions of any agency of the United States which are related to return of the individual from a foreign country, or his entry into, the United States.

(4) As expressly authorized by the Commissioner of Social Security.

(b) An agreement made with an agency for the provision of temporary assistance pursuant to the Act shall provide that no disclosure will be made of any information received by such agency in the course of discharging the duties under such agreement except as provided therein.

AMENDMENT IN FEDERAL REGISTER MARCH 6, 1963

TITLE 45—PUBLIC WELFARE

CHAPTER II—BUREAU OF FAMILY SERVICES, SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 202—MEDICAL ASSISTANCE FOR THE AGED TO STATE RESIDENTS

1. The chapter heading for Chapter II of Title 45 is changed to read as set forth above.

2. Chapter II of Title 45 of the Code of Federal Regulations, is amended by adding Part 202, as follows:

Sec.

202.1 Condition of plan approval; prohibition against exclusion of residents.

202.2 Furnishing of assistance to eligible residents absent from the State.

AUTHORITY: §§ 202.1 and 202.2 issued under sec. 601, 74 Stat. 987, sec. 141, 76 Stat. 197, sec. 1102, 49 Stat. 647; 42 U.S.C. 302, 1382, 1302. Interprets or applies sec. 601, 74 Stat. 937 sec. 141, 76 Stat. 197, 42 U.S.C. 302, 1382.

§ 202 Condition of plan approval; prohibition against exclusion of residents.

A State plan for medical assistance for the aged, or for old-age assistance and medical assistance for the aged, or a State plan for aid to the aged, blind, or disabled and medical assistance for the aged, to be approved under section 2 or 1602, as the case may be, of the Social Security Act, as amended (42 U.S.C. 302, 1382), may not impose, as a condition of eligibility for medical assistance for the aged, any residence requirement which excludes any individual who resides in the State.

§ 202.2 Furnishing of assistance to eligible residents absent from the State.

A State plan referred to in § 202.1 must provide for the furnishing of medical assistance for the aged to eligible individuals who are residents of the State

but are absent therefrom to the same extent that such assistance is furnished under the plan to meet the cost of medical care and services rendered to eligible individuals in such State, at least to the extent that medical care and services are needed in any other State (as defined in section 1101(a)(1) of the Social Security Act, as amended, 42 U.S.C. 1301(a)(1)), under any of the following circumstances: (a) Where an emergency arises from accident or sudden illness; (b) where the health of the individual would be endangered if the care and services are postponed until he returns to the State in which he resides; or (c) where his health would be endangered if he undertook travel to return to such State.

Effective date. This part shall become effective on the date of its publication in the Federal Register.

[SEAL]

ROBERT M. BALL,
Commissioner of Social Security.

Approved:

ANTHONY J. CELEBREZZE,
Secretary of Health, Education, and Welfare.

[F.R. Doc. 63-2357; Filed, Mar. 5, 1963; 8:50 a.m.]

Mr. FOGARTY. Mr. Lesinski.

Mr. LESINSKI. Getting back to what Mr. Denton was saying, first of all, as far as cutting down on the Agency, the Congress is the one that cuts the water off.

No. 2, regarding the problems of aid to the program, there is a family in Detroit that, during the depression, the father was a tool and dye maker, doing pretty well. He got laid off and he has not done a bit of work since, and his family has increased and gone up and now they are under welfare, too.

PROVISION FOR SECOND PARENT

Mr. Hurley, you mentioned "second to parent." What do you mean by "second to parent"?

Mr. HURLEY. At this particular time, in Federal matching, we count only one caretaker, usually the mother, in a family of ADC; but in families where the children are needy because of the unemployment or disability of the parent and both parents are in the home we can, under our new law, count a second parent, so there can be additional Federal participation in payments.

It amounts to \$34.6 million in 1964, an increase of \$2.8 million over 1963.

PAYMENTS TO VENDORS

Mr. LESINSKI. You mentioned the word "vendor" when you talked about the Kerr-Mills bill.

What do you mean?

Mr. HURLEY. These are the suppliers of medical care—doctors, hospitals, druggists, and so on.

Mr. LESINSKI. Well, vendor——

Mr. HURLEY. Vendor.

Mr. LESINSKI. That is usually the person that sells.

Mr. HURLEY. That is right. These are expenditures only payments to vendors. It is not a payment to the recipient of assistance. These vendor payments are only for medical care. Under the program of medical assistance for the aged there can be no payment to the aged person himself that is matched with Federal funds. Under this pro-

gram, all expenditures are for payments to vendors. They are not payments to the individual to pay his doctor or his hospital.

Mr. LESINSKI. You are talking about the individual's participating in the Kerr-Mills program, in which the State pays part and you pay part. That is the so-called vendor?

Mr. HURLEY. Under the program of medical assistance for the aged, the State makes its payments directly to the hospital, to the doctor, to the supplier of the medical services. For medical care under the old-age assistance program, the States make payments to the individual recipient who can buy certain kinds of medical services, such as his own drugs; and they can also make vendor payments in addition. But in the program of medical assistance for the aged, they can make only vendor payments. That is what the law provides.

Mr. WYNKOOP. And the program of medical assistance for the aged, Mr. Lesinski, is for those people who are medically indigent, but are not receiving public assistance.

Mr. LESINSKI. Yes. That is under the Kerr-Mills bill.

Mr. WYNKOOP. That is correct.

Mr. LESINSKI. But the word "vendor" had me stumped, because of the fact that a vendor is a seller of a commodity.

I still do not know who the vendor is.

Mr. KELLY. That is perhaps a poor selection of words, Mr. Lesinski. What happened is that for years, in this program, you had two kinds of expenses: payments to individual recipients of public assistance, and administrative expenses, and there was introduced into the program the concept that our grant funds were available for payments to parties other than the individual, for example, to doctors, hospitals, or druggists.

The term "vendor" was used for those payments which were neither for administrative expenses nor direct payments to the beneficiary.

Mr. LESINSKI. It is right simple then.

Mr. KELLY. Yes.

Mr. LESINSKI. The fellow performing the services is the one who gets paid.

Mr. HURLEY. Right. He is paid directly.

MENTALLY ILL REPATRIATED U.S. NATIONALS

Mr. LESINSKI. You mentioned the situation about the mentally ill in foreign countries. Three thousand or four thousand. Mentally ill, from what cause?

Mr. HURLEY. All causes.

There is no distinction made.

Mr. LESINSKI. Off the record.

(Discussion was had off the record.)

Mr. LESINSKI. On the record.

Could you give me a breakdown as to the types of mental illnesses?

Mr. HURLEY. Yes, I can give you that, for the record. I do not have a breakdown at the moment.

(The information requested follows:)

During the first 8 months of the current fiscal year, the Bureau has arranged for the care of 30 mentally ill repatriates referred by the Department of State. The medical diagnosis for these patients was as follows:

- 18 Schizophrenic reactions (including 13 of paranoid nature).
- 5 Chronic brain syndromes.
- 2 Manic depressive psychosis.
- 1 Chronic illness and inadequate personality.
- 1 Huntington's chorea.
- 2 Anxiety reaction.
- 1 Postpartum psychosis.

Mr. LESINSKI. In other words, from what causes?

Mr. HURLEY. The only thing we can get you is what the diagnosis was in the particular case. Now, there are many times that the diagnosis that we may have in the communication from abroad, may be changed on the basis of a subsequent examination made in this country.

Mr. LESINSKI. Well, do you find these are people living abroad of their own volition, or are in difficulties with the Government, or what?

Mr. HURLEY. No. They are brought for a whole variety of reasons, and the kinds of situations that they can enter into are varied. We have people that have breakdowns. We have had schoolteachers who have gone abroad on certain assignments; they have broken down on their assignment and they need to be helped to return. These are people who cannot take care of themselves, too, in that there is no other resource for them.

It would include teenage children, young people. We have had some of those particular cases. We have people who have already been in mental hospitals abroad, who would come under the purview of this program, so it is extremely important in the matter of handling it, that you really have as full information as you can get from abroad, plus the capacity to do reexamination here.

Mr. WYNKOOP. Excuse me, sir. The bulk of these cases are from Canada, people that have been in Canada and have returned to this country.

Mr. HURLEY. This is an old law. Actually, when we took responsibility for this, there was already a group that was in St. Elizabeths Hospital, American citizens formerly in Canadian mental hospitals, who were transferred from there to here. So a good bit of our load, really, the bulk of it, is this group at St. E's. They were just transferred over, and we are working with St. Elizabeths.

Mr. LESINSKI. What I was interested in was the factor for their illness, because I was thinking of something in the back of my mind, as to what might be a factor involved.

Mr. HURLEY. I think it is for the same kind of reasons that people get mentally ill here; and abroad, it is some additional factor that could occur.

Mr. LESINSKI. Thank you.

Mr. FOGARTY. Dr. Winston, we will expect to finish with your budget tonight. We have three more areas to go into.

Dr. WINSTON. Yes, sir.

Mr. FOGARTY. I think it would be well if you just go on and read your statement on cooperative research first. Then research and training—the special foreign currency program—and then follow that with salaries and expenses.

Dr. WINSTON. Yes, sir.

TUESDAY, MARCH 19, 1963.

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY

WITNESSES

DR. ELLEN WINSTON, COMMISSIONER OF WELFARE
 JOSEPH H. MEYERS, DEPUTY COMMISSIONER OF WELFARE
 ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION
 PHILLIPS CUTRIGHT, ACTING CHIEF, COOPERATIVE RESEARCH GRANTS BRANCH
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities: Grants, contracts, and cooperative arrangements (costs—obligations) (object class 41)-----	695	1, 100	2, 000
Financing: Unobligated balance lapsing-----	5	-----	-----
New obligational authority (appropriation)-----	700	1, 100	2, 000

GENERAL STATEMENT

Dr. WINSTON. Under the welfare program operated under the Social Security Act, millions of Americans who otherwise would be in dire economic need have income; a large number of men, women, and children with personal, social, and family problems have a place to turn for help. It is necessary to administer these programs not only to deal with problems when they occur but also to prevent them whenever possible. To do this more effectively, programs need to be supported with more and better knowledge about why people need help, what help to give them, and how best to give it. Knowledge in these areas has been woefully inadequate. It is well known that the social sciences have lagged far behind the other sciences in acquiring new knowledge for practical use.

As you know, the statute authorizing this grant program names three specific areas to illustrate the kinds of problems with which the program should be concerned. They are "the prevention and reduction of dependency," the "coordination and planning between private and public agencies," and improvement in "the administration and effectiveness of programs carried on or assisted under the Social Security Act and programs related thereto." We are supporting research or demonstration projects in all three of these areas. In many cases, of course, a single project will overlap more than one of these areas—as by pointing the way to program improvements through analysis of factors affecting dependency.

PROBLEMS OF DEPENDENCY

The problems of dependency have many aspects. It seems clear, however, from the experience during the first 2 years of operation that the research program is beginning to make information available which will assist in the solution of current problems. The program has received excellent response which attests to the importance of a research program having as its main focus the prevention and reduction of dependency. This response may be measured by the applications received, by the variety of projects being supported, and by the enthusiasm of the many outstanding figures in the field of social welfare. In addition, an expansion of research efforts on the part of public and private agencies in the welfare field has been noted, indicating a growing awareness of the importance of research generally and of this program in particular.

Research is needed to help answer many questions. We need to know why such large numbers of parents have income so inadequate that they must be given public financial assistance in a country where most people achieve high levels of living. We need to know more about the causes of poverty so that we can develop effective community services to attack poverty and promote greater independence and self-help. We need to know what our increased aged population needs to enjoy satisfying and happy lives. We don't know nearly enough about problems related to illegitimacy. We spend millions in monthly payments to recipients of financial assistance, and yet we spend negligible amounts on research into social problems and the most effective methods of administering the welfare programs.

THE 1963 BUDGET

For the fiscal year 1963, \$1,100,000 has been appropriated for this program. Approximately \$450,000 will be used to continue in 1963 an estimated 15 projects initiated in 1961 and 1962. The remaining \$650,000 will be used for the support of approximately 19 new projects. During 1963, emphasis is being placed on projects relating periods of unemployment or dependency to family growth and welfare, to studies aimed at discovering the kind of individual family and community situations that stimulate people to escape from a status of dependency and to demonstrate ways in which these kinds of situations can be achieved. Studies are also being undertaken of families denied assistance or living just above the assistance level to determine what differentiates them from families on assistance and the likelihood of their remaining independent. Continued emphasis will also be given to projects in the general field of illegitimacy including those related to the characteristics and circumstances of mothers with one and more than one child born out of wedlock, questions relating to motivation toward independence, and studies of the problems of unwed teenage mothers both from the standpoint of the individual and the community. Projects are also being carried out relating to the problems of retirement or institutionalization of the aged.

1964 BUDGET REQUEST

During the fiscal year 1964, an appropriation of \$2 million is requested. Approximately \$936,000 of this amount is requested to continue in 1964 projects begun in previous years, and \$1,064,000 is requested to initiate approximately 28 projects in 1964. During 1964, the program will have had almost 3 full years' experience, and we will be in a position to analyze the results of some of the studies and to build upon them by testing in other areas some of the findings of specific projects. It is anticipated that by 1964 we will be able to develop "next steps" in selected priority areas. Among the subject areas which will probably be included in such followup studies are research into factors associated with illegitimacy, what happens to children involved in unsuitable home situations in families receiving aid to families with dependent children, factors involved in institutionalization of aged persons, the effects of different types of housing arrangements on the aged, and sociolegal protective services for aged persons. Another of the high priority areas for study in 1964 is the extent and effect of poverty on the family. For example studies of the response of different types of families to a change from independent to dependent status because of unemployment or the loss of a member of the family are needed.

PROJECTS RELATED TO SEVERAL PROGRAMS

We are considering a series of conferences in 1964 in which directors of related projects being supported under the program would be called together along with other experts and specialists to develop plans for future activities. This will be another method of attempting to utilize the results of specific projects that will have been completed by this time and projecting them forward in a coordinated manner. For example, there are at present a number of ongoing projects which are studying the effectiveness of services provided to multiproblem families. A working conference to analyze the findings of this group of projects and to make plans for future studies would be highly constructive and worthwhile. We also anticipate working with the National Institute of Mental Health, the Office of Education, Vocational Rehabilitation Administration, the Children's Bureau, the Housing and Home Finance Agency and the Manpower Training Unit in the Department of Labor on projects of mutual interest.

Large-scale demonstration projects are quite expensive. At the present time, we are supporting several planning studies for future demonstration projects, and the groups that are engaged in this preparatory work will be requesting funds for the demonstration phase of the research in another year or two. Adequate funds for demonstration projects will mean that the knowledge gained from research can be effectively translated into action programs. The application of on research findings into ongoing programs and into program development is, of course, of the utmost importance.

Projects supported in this program have related to both the welfare and social security programs. The interrelatedness of these interests will be reflected by placing primary responsibility for this program with the Welfare Administration and at the same time insuring that

a significant portion of the funds will be available to support projects that are chiefly of interest to the Social Security Administration or are of joint interest. This unified operation of the program under the direction of the Commissioner of Welfare should insure the maximum economy of administration. Procedures will be developed to permit the appropriate participation of the Social Security Administration in the review and approval process.

INCREASE REQUESTED FOR 1964

Mr. FOGARTY. The appropriation for 1963 is \$1,100,000 and the request for 1964 is \$2 million, an increase of \$900,000.

Can you give us a couple of examples of research projects and also of demonstration projects?

CURRENT DEMONSTRATION PROJECTS

Dr. WINSTON. Yes, I would like to ask Mr. Cutright to do that, because he has been handling these projects.

Mr. CUTRIGHT. Demonstration projects, currently underway at the University of Chicago, are organized—

Mr. FOGARTY. Well, tell us what they are.

Mr. CUTRIGHT. The purpose of the Chicago project is to find out whether there are better ways of organizing public welfare agencies, in terms of utilization of existing personnel in providing services to clients. This is one of the more specific program needs at this time.

Mr. FOGARTY. Well, is it a project to get more for your money?

Mr. CUTRIGHT. The project is to see whether or not you can organize an existing staff into teams, or other methods of organization, to get more for the dollar, yes, sir.

Mr. FOGARTY. All right. What is another demonstration project?

Mr. CUTRIGHT. A demonstration project in Philadelphia, which is an attempt to provide homemaker services to families that are about to be evicted from public housing, because their homemaking skills are inadequate.

Mr. FOGARTY. What do you mean, public housing?

Mr. CUTRIGHT. These are families in this case, in this project, that are living in public housing—that is publicly supported housing.

Mr. FOGARTY. I see. All right.

CURRENT RESEARCH PROJECTS

Tell us about one or two of your research projects?

Mr. CUTRIGHT. There is a very interesting research project at the University of Notre Dame on the use of credit unions by low-income people, and we hope to get some idea of the extent to which coverage of low-income groups by credit unions could possibly be expanded in the future. We hope to find out what the existing limits of utilization of credit union facilities by low-income people are.

There is also an interesting study of the relationship of family size to unemployment and economic changes in the status of the family.

These factors presumably will have a bearing on the future dependency of the family.

Mr. FOGARTY. Is there another one you would like to mention?

Mr. CUTRIGHT. Yes.

Mr. FOGARTY. Pick out good ones, now.

Mr. CUTRIGHT. We would have to cover them all.

The study of geographic mobility is a basic research study.

Mr. FOGARTY. How does that fit in with welfare and social security?

Mr. CUTRIGHT. Well, geographic mobility is a primary mechanism of redistributing the labor market. If people are unwilling to move from one area to another, they may become, in time, dependent.

Mr. FOGARTY. Is not the Department of Labor doing something in this field?

Mr. CUTRIGHT. This project was checked with the Department of Labor and apparently, it has a new slant to it.

Mr. FOGARTY. What is the new slant?

Mr. CUTRIGHT. The new slant is the introduction of some variables that had not been thought of before. The survey is being conducted on a nationwide basis by the University of Michigan and will incorporate into it noneconomic determinants of mobility. The previous studies have focused primarily on economic determinants.

Mr. FOGARTY. All right.

Mr. WYNKOOP. Mr. Fogarty, could I mention just a couple of others?

Mr. FOGARTY. Yes.

Mr. WYNKOOP. We have one at the Benjamin Rose Institute, which deals with protective services for older people, that I understand will have a great deal of social significance.

Mr. FOGARTY. What do you mean?

Mr. WYNKOOP. Well, the type of protective services that older people need to assure that they are not institutionalized without good cause and to assure that they have available to them adequate legal and other services.

Mr. FOGARTY. Would you put a list of them in the record?

Mr. WYNKOOP. All right, sir.

(The information follows:)

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS

Listing of projects by major areas of subject matter, fiscal 1961 through March 1963

SOCIOECONOMIC STATUS, INSECURITY, AND DEPENDENCY

University of Georgia: Exploratory study of family problems in an area of rapid social change (1961)

Brandeis University: Use and nonuse of public assistance funds by child-rearing units in a low-income community (1961, 1962, and 1963)

University of Chicago: Experimental short-term reading-readiness study (1962 and 1963)

Northern Michigan College: Exploratory study of welfare programs and needs in Upper Peninsula of Michigan (1961)

University of Notre Dame: Credit union service to low-income groups (1961 and 1962)

Community Chest and Council of the Cincinnati Area, Ohio: Effect on families and individuals in a rural community when public relief is exhausted (1963)

Joint Settlement Committee, New York: Design of an evaluation study of consumer education for low-income families (1963)

Syracuse University, New York: Social characteristics and employment experiences of school dropouts (1963)

- Bureau of Social Science Research, Washington, D.C.: Economic functions of kinship structures in low-income groups (1963)
 University of Illinois: A comparative analysis of the culture of poverty in Puerto Rico and New York (1963)

FAMILY ORGANIZATION

- Bryn Mawr College: Attitudes toward dependency—A study of 105 ADC mothers
 Community Council of Greater New York: Unmarried mothers who keep the first out-of-wedlock child (1962 and 1963)
 Florida State University: Analysis of 15,000 unsuitable home cases acted upon by the State review team (1961)
 University of Michigan: Teenage illegitimacy—Individual and community factors (1961, 1962, and 1963)
 University of North Carolina: Social consequences of unwed motherhood (1961 and 1962)

DEMOGRAPHIC, URBAN STUDIES

- University of Michigan: Determinants of the geographic mobility of labor (1962 and 1963)
 Syracuse University: Fatherless families and housing—A study in dependency (1961 and 1962)
 University of Michigan: Economic status, unemployment, and family growth (1963)
 Wisconsin Winnebago Business Committee: Contribution of community development to the prevention of dependency (1963)
 Trinity University: Study on an aged low-income population in a public housing project (1962 and 1963)

RESEARCH-DEMONSTRATION RELATING TO SERVICES

- Chemung County Council, New York: Research-demonstration with dependent multiproblem families (1961 and 1962)
 Friends Neighborhood Guild: Demonstration program with families about to be evicted from public low-rent housing (1961 and 1962)
 Goodrich Social Settlement: Exploratory project on methods of changing values among boys in ADC families (1961 and 1962)
 Community Service Society of New York: ADC families rehabilitation project (1962)
 University of Puerto Rico: Family-centered treatment research and demonstration project with dependent multiproblem families (1962)
 Commissioner of Welfare of the City of New York: Effect of providing coordinated services to multiproblem families in Harlem (1963)
 Missouri Department of Public Health and Welfare, St. Louis, Mo.: Planning for evaluation of services, Pruitt-Igoe (1963)
 Menninger Foundation: Some social aspects of urban renewal (1962 and 1963)

ADMINISTRATIVE PROCESS AND PROFESSIONAL MANPOWER

- University of Chicago: Administrative practices in the organization and utilization of PA personnel (1961, 1962, and 1963)
 New York School of Social Work: Intercounty public welfare services project (1962)

RETIREMENT AND OTHER FACTORS RELATED TO AGING

- Cornell University: Longitudinal study of retirement (1961 and 1962)
 Cornell University: A study of early retirement and programs of preparation for retirement (1962)
 University of Michigan: Influence of OASI and private pension plans on spending-saving (1962 and 1963)
 North Texas State College: Decisions leading to institutionalization of the aged (1961 and 1962)
 Benjamin Rose Institute: Protective services for older people (1962)

University of Michigan : Pilot study of nursing home costs (1961)

REPLICATIVE STUDIES

Mr. FOGARTY. On page 11, concerning your 1964 plans, you say:

A number of studies will be replications of, or related to, studies which are currently being supported under the program.

Is there much difference between "replication" and "duplication"?

Dr. WINSTON. This is a matter of semantics here, except the fact that you put your money into a project, and it seems to pay dividends in terms in helping us better understand the problem and to improve our administrative program.

Mr. FOGARTY. Give me an example.

Dr. WINSTON. Well, now, I am going to turn to Mr. Cutright again on these projects.

Mr. CUTRIGHT. The demonstration projects that were funded in the first fiscal year of our operations used a series of measures to judge whether or not the effect of the service was a desirable one. They related services to their effects on family life.

In the second year, it is important to replicate—to have some studies which replicate earlier studies. That is, to see whether the effects you observe at one time will show up again. This is the sum and substance of what replication means.

COOPERATIVE PARTICIPATION BY OTHER AGENCIES

Mr. FOGARTY. What projects do you have in which other Federal agencies are participating?

Mr. CUTRIGHT. We are not sharing the cost of any such projects with other Federal agencies, at the present time. However, both the Area Redevelopment Agency of the Department of Commerce and the Bureau of Labor Statistics are participating in the Michigan study of geographic mobility.

Other agencies are involved to the extent they are being requested to advise us in planning stages and as to the appropriateness of future research projects.

Mr. FOGARTY. The reason I am asking, your justifications on page 12 say, "Participation in appropriate cases with other Federal agencies in support of large projects, dealing with problems of particular concern to all of these agencies."

Mr. WYNKOOP. That is our plan for 1964, Mr. Fogarty. I would like to mention that our experience in getting financial participation on the part of people who are seeking approval of projects has been very good.

During the fiscal year, we estimate that approximately 30 percent of the total cost of the program will be borne by the sponsors and we are quite proud of this.

TUESDAY, MARCH 19, 1963.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

WITNESSES

DR. ELLEN WINSTON, COMMISSIONER OF WELFARE
 JOSEPH H. MEYERS, DEPUTY COMMISSIONER OF WELFARE
 ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION
 MISS DOROTHY LALLY, CHIEF, INTERNATIONAL ACTIVITIES WELFARE ADMINISTRATION
 DR. KATHERINE BAIN, DEPUTY CHIEF, CHILDREN'S BUREAU
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
21 Travel and transportation of persons.....	13	15	45
41 Grants, subsidies, and contributions.....	340	963	1,031
Total obligations.....	353	978	1,076

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Maternal and child health.....	5	501	632
2. Social welfare.....	91	477	444
Total program costs, funded.....	96	978	1,076
Change in selected resources ¹	257		
Total obligations.....	353	978	1,076
Financing:			
Unobligated balance brought forward (—).....		—1,254	—276
Unobligated balance carried forward.....	1,254	276	400
New obligational authority (appropriation).....	1,607		1,200

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$0; 1962, \$257,000; 1963 \$257,000; 1964, \$257,000.

PREPARED STATEMENT

Mr. FOGARTY. The next item, Dr. Winston, is research and training (special foreign currency program). We will insert your statement in the record at this point.

Dr. WINSTON. Thank you.

(The statement follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SUMMARY STATEMENT ON RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

For fiscal year 1964, \$1,200,000 is requested for the purchase of foreign currencies with which to carry out social welfare and maternal and child health research projects overseas. Funds will be used for projects of specific value to the United States as well as for international use. Of the total funds requested, \$460,000 is for welfare projects and \$740,000 is for maternal and child health projects.

The first year's operation of this program has been successful. We are pleased to report that eight excellent projects have been approved of special interest to the programs of the Welfare Administration. Forty-one additional proposals have been submitted and are being reviewed. The projected program will more than commit available funds. Experience has already demonstrated the value to us of research in other countries. Conferences between our experts and scientists and those in other countries have identified many areas of common concern in the health and welfare fields and conditions which provide excellent laboratories for studies. Highly qualified professional staff is available in cooperating countries, many of whom have had professional training in the United States.

Maternal and child health projects which have been approved deal with important health problems in the United States—for instance, one project will study toxemia of pregnancy, which is one of the major causes of maternal death in the United States. Little is known as to its cause. The welfare research projects which have been approved are directly related to studies of social problems with which the Public Welfare Amendments of 1962 are concerned—better family and child welfare services, rehabilitation of dependents, prevention and treatment of juvenile delinquency, and raising living conditions through improved community social services.

Funds are being requested for 1964 to undertake other health projects that will include ways of improving health services for mothers and children, studies of congenital defects, mentally retarded children, and nutrition. In welfare, projects would be undertaken in such fields as the needs of the aging, day care centers for children of working mothers, institutional care of children, juvenile delinquency, and needs and services for new families in expanding urban communities.

In both the health and welfare fields, this intercountry research program offers excellent opportunity for studying causes of social problems and for testing new methods in social programs. The findings of the projects already underway, as well as those being planned, give promise of providing valuable information which will be of specific use in our domestic programs.

FULL STATEMENT ON RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

For fiscal year 1964, \$1,200,000 is requested under authority in section 104(K) of Public Law 83-480, the Agricultural Trade Development and Assistance Act of 1954, as amended. The total request is to be financed through the purchase of foreign currencies. Funds requested are to finance projects which would be of scientific benefit to this country as well as of international use and benefit.

Funds are justified under two activity headings: "Maternal and child health," \$740,000, and "Social welfare," \$460,000. Many of the projects will extend over several years. Funds requested cover financing for the full life of the project.

The first year's operation of this program has been distinctly successful. We have approved eight projects, five in social welfare and three in maternal and child health. Fifteen additional proposals are being completed for formal action on grants to study problems of great interest to the United States. These projects deal with welfare problems which concern our own State welfare departments—rehabilitative services for families, better care for children of working

mothers, needs of older persons, improved ways of providing community services, and training of welfare personnel. The findings should add to our knowledge and contribute to a more informal approach in helping people to become independent and lead more useful, satisfying lives.

Similarly, in the maternal and child health field, we are more than satisfied with the quality of the proposals. Projects that have been approved and those being developed are of importance in maternal and child health as to subject matter. They are well planned and are being carried out by qualified investigators.

FISCAL YEAR 1962

In the social welfare field, 34 projects were submitted this first year of operation. Great interest has been shown in the subject of juvenile delinquency, both in prevention and treatment. Of the six juvenile delinquency proposals submitted, the one accepted, entitled "An Action Research Project on the Forces Acting in Street Corner Groups," is considered to be potentially the most productive in view of the interest of the United States. This project should contribute to our knowledge through testing actual methods used in working with groups of delinquent and pre-delinquent youth. It will advance understanding of motivation leading to delinquency as well as identifying contributing community influences.

A second accepted project, "Institutionalization of Children," is a study to determine criteria for institutional placement of children and will identify also the community resources that should be developed to meet needs of individual children. The study will contribute to U.S. knowledge in child care and represents an important study of actual practice in this area. In many countries, institutional care is a major form of care of children away from their own homes and, therefore, a considerable laboratory is available for testing the validity of this method of care.

A new area of study is introduced in another research project approved for Israel entitled "Social Welfare Services from the User's Point of View." This project looks at services from the point of view of beneficiaries and recipients. It will identify the way in which the reception of newcomers into the community affects a recipients ability to use a social service. The results of this study will be valuable to both Israel and the United States in planning services, particularly for newcomers to urban communities.

In India, we are cooperating with Saur University in a project entitled "The Role of Barpali Villiage Service in the Community Development Program of India." The project will appraise methods and effects of a community development project in operation for several years in small communities, and make the findings available to community planning agencies of India, United States, and elsewhere. Our country, as well as other industrializing nations, is attempting to find the most effective methods for community development. To do this we need to clarify what induces social change. This must be looked at from the standpoint of motivation and interests, methods of training personnel in community work and types of community development projects citizens find most useful and effective.

We are cooperating in two studies in development of social welfare manpower. One project, located at the University of Lahore and already approved, will measure the effectiveness of social work education against modern community needs and recommend modifications. A second, at Hebrew University, Israel, will attempt to distinguish social services which can be performed adequately by persons with on-the-job training, and those services which must necessarily be provided by staff with specialized professional education. Both these projects are of keen interest to the United States in view of our efforts to improve the skills of our public welfare staff.

Other projects now being completed for submittal include services for working mothers, India; aftercare of young delinquents, India; training of personnel for rural services, Israel; services for strengthening family life, United Arab Republics. These projects now being submitted will commit all of the 1962 funds. Approval of six excellent projects in Pakistan and Israel is being delayed due to lack of funds in those countries.

In the maternal and child health field, the "Study of Diarrheal Diseases in Pakistani Children" is the first careful bacteriological study in that country on the etiology of diarrheal diseases which are leading cause of illness and mortality in all developing countries. This is a 3-year study with the Post Graduate Medical Center, a joint Pakistani and U.S. institution. This study will

have value to Pakistan in planning control and prevention of diarrheal disease and in training physicians in clinical management of cases and in research methods. It is of interest to the United States as diarrheal disease causes about 3,000 deaths per year in the United States and we do not have the opportunity to study large numbers of cases under controlled conditions.

A second project, "Factors in Toxemia of Pregnancy," previously mentioned, is a 5-year study with the Hadassah Medical College, Israel, under the direction of the professor of obstetrics. It includes socioeconomic, dietary, psychological, and clinical aspects. The prevalence of the condition in Israel, the organization of medical services making it possible to study all cases in the Jerusalem area, and the scientific personnel and facilities of high caliber provide an excellent opportunity for this study.

A third project is a "Study of Growth and Development of Children From Different Ethnic Groups in Israel," covering physical, mental, and emotional development. This is a cooperative study with the Hadassah Medical School, Ministry of Health, and the Henrietta Szold Foundation. It should contribute information on how methods of child care affect the development and adjustment of children socially and intellectually.

Other proposals being completed include: for India, an evaluation of nursing services and a demonstration of ways to improve health education of mothers; for Egypt, anemias of pregnancy, and outpatient treatment of diarrheal diseases in children; for Yugoslavia, prevention of tetanus of the newborn and a demonstration of services to meet the health and welfare needs of mothers and children in urban development.

FISCAL YEAR 1964

Funds are being requested for 1964 to undertake projects already proposed for submittal by foreign countries. It is expected that by the end of fiscal year 1963 all fiscal year 1962 funds will be obligated except for necessary reserves for currency fluctuation and to provide consultation on projects.

Israel, United Arab Republics, India, and Pakistan have experienced serious social problems related to urbanization. These countries would like to undertake studies of problems and needs of people living in expanding urban areas. They are interested in identifying the way different groups accommodate to urban life. Comparative field studies of adjustment to large city living would be of special value now to American social scientists and officials responsible for program development.

Israel and India have proposed studies of services for the aging. New ways of providing services for older persons in the community so that they may remain as long as possible in their own homes would be analysed. One study we have under consideration would make a special analysis of aged individuals living alone, with a focus on their social, health and economic needs. The data would be used as a basis for planning and experimenting with a combination of needed community services.

Additional projects relating to care of children are proposed. One country has proposed cooperating with us in a study of more effective training of personnel in day-care centers. Another country would undertake a demonstration project in training administrators for children's institutions. Israel has proposed experimenting with different types of services to meet the needs of emotionally disturbed children. Agencies in the United States are reporting an increase in the number of emotionally disturbed children and lack of resources to meet the needs of these youngsters. If, through adequate research, we can determine the validity of various types of care, it will be of immediate benefit to the United States as well as internationally.

An interesting new project has been proposed in the field of juvenile delinquency by India. A study of the halfway house program in India would provide helpful information about after-care community group living. Halfway houses have been established in other countries for many years. However, the first in the United States was established only recently in New York State.

For fiscal year 1964 a number of studies in the maternal and child health fields have been proposed that are appropriate to be carried out in other countries. They concern anemia of pregnancy, care of premature infants and home versus hospital care of children, and are ready to be approved when 1964 funds become available.

It is planned to develop studies related to improving health services of mothers and children in India, Indonesia, and Egypt; and congenital defects in Israel.

In the health and welfare fields, our U.S. agencies can benefit greatly from this intercountry research program. It offers a unique economical opportunity to cooperate in testing new methods and to learn better ways of helping people. The research capability of every country is necessarily limited. This program extends facilities for social research under competent investigators and under good research conditions. The funds we have requested will enable us to cooperate with other countries in these research projects on social problems of mutual concern and the United States will gain important new knowledge useful in our domestic programs as well as of value internationally.

CARRYOVER BALANCES

Mr. FOGARTY. How much of the 1962 appropriation was obligated in 1962?

Dr. WINSTON. Miss Lally is coming in right now to furnish the details with respect to this request.

Mr. FOGARTY. The question I just asked was: \$1,607,000 was appropriated for 1962, nothing for 1963, and the request is for \$1,200,000 for 1964. How much of the 1962 appropriation was obligated in 1962?

Miss LALLY. We obligated about \$360,000 in 1962.

Mr. FOGARTY. That was about 25 percent.

Miss LALLY. That is right. And we have under negotiation now, projects which would use all of the 1962 appropriation.

Mr. FOGARTY. So you had a carryover of \$1,254,000 into 1963. Have you obligated any of that?

Miss LALLY. Yes. We have just cleared three additional projects this week. We have four coming through from India; we will obligate \$200,000 additional by the end of this quarter.

Mr. FOGARTY. How much would the total be, in 1963?

Miss LALLY. We expect to obligate the balance of 1962 funds.

PROJECTS PENDING APPROVAL

We have 41 projects, in addition to those formally approved.

Mr. FOGARTY. Will you put them all in the record?

Miss LALLY. Yes, sir.

(The information follows:)

List of welfare administration, Public Law 480, projects pending consideration

<i>Title of project</i>	<i>Cost of project</i>
The function of the trained and semitrained social worker in a public family agency (Israel)-----	\$6, 000
Study of social and economic conditions of families in Israel-----	41, 000
Institutionalized delinquent youth (Israel)-----	20, 000
The employment position and function of professional social workers in India-----	28, 000
Study of working mothers and the effect of work on family life (India)-----	6, 000
Study of aged persons, their needs and problems (India)-----	7, 000
Study of parenting and its effects on the development of personality (India)-----	14, 000
Demonstration of services in urban community development (Korangi, Pakistan)-----	33, 000
Training for community development (Dacca, Pakistan)-----	20, 000
Demonstration in services for prevention and treatment of juvenile delinquency (Pakistan)-----	30, 000
Demonstration in services and training for family and child welfare in Heliopolis (United Arab Republic)-----	75, 000
Evaluation of social work education in relation to current needs, Cairo (United Arab Republic)-----	22, 000

List of welfare administration, Public Law 480, projects pending consideration—
Continued

<i>Title of project</i>	<i>Cost of project</i>
Social services in public housing programs in Alexandria (United Arab Republic)-----	\$10, 000
Effects of migration from rural to urban areas on maternal and child welfare (Yugoslavia)-----	20, 000
Evaluation of day-care centers for children of working mothers (Yugoslavia)-----	3, 000
A study of the in-service training centers for social welfare personnel (Israel)-----	16, 000
Causes of juvenile delinquency in Israeli society-----	44, 000
Study of the conflicts of the young adult students in relation to parental norms (Baroda, India)-----	3, 000
Study of placement practices of juvenile delinquents (Israel)-----	15, 000
The needs of the aged living alone in their own house (Israel)-----	27, 000
Prevention of tetanus of the newborn through immunization of pregnant women in a rural area (Pakistan)-----	30, 000
Incidence and predisposing factors in toxemia of pregnancy (Poland)-----	50, 000
Differences in function and clientele in counseling (Israel)-----	20, 000
Research of invalids in Israel-----	35, 000
Family characteristics of unemployed and hard-to-employ men and some effects of selected Government programs on the families (Israel)-----	30, 000
Impact of urbanization on juvenile delinquency (India)-----	7, 500
A study of institutional care program in relation to aftercare of released children (India)-----	13, 000
A training institute for staff working with mentally deficient children (India)-----	20, 000
Prevention and treatment of juvenile delinquency (United Arab Republic)-----	30, 000
Prevention of tetanus of the newborn through immunization of pregnant women in an urban area (Yugoslavia)-----	30, 000
Study of incidence of prematurity and of survival rates in 8 centers (Poland)-----	50, 000
Rearing and development of children from various social strata and ethnic groups (Israel)-----	40, 000
The influence of different Israeli institutions on the tempo and mode of acculturation of immigrant youth (Israel)-----	40, 000
Leadership formation in new immigrant settlements (Israel)-----	19, 000
A followup study of the services of the mental hygiene and psychiatric clinic (Baroda, India)-----	2, 000
Assessment of social agency personnel needs in relation to curriculums in schools of social work (India)-----	40, 000
Study of prenatal mortality (Pakistan)-----	50, 000
Incidence of mental retardation in rural and urban areas (Poland)-----	25, 000
Incidence of phenylketonuria in institutional population and in newborns (Poland)-----	20, 000
Health services needed by mothers and children in the process of urbanization (Yugoslavia)-----	70, 000
Anemias of pregnancy (United Arab Republic)-----	75, 000
Outpatient treatment of diarrheal diseases in children (United Arab Republic)-----	80, 000
Youth and adolescent groups in immigrant settlements (Israel)-----	20, 000
Hospital admission of young children in relation to their sociocultural milieu (Israel)-----	40, 000
Comparative study of the survival, health, and growth and development of premature infants in different sociocultural groups (Israel)-----	55, 000
Demonstration of communitywide organization for development of family and child welfare services (India)-----	8, 000
Establishment of a research unit to plan, direct, and promote research projects in social welfare (India)-----	15, 000
Growth patterns in the first 5 years of life (Pakistan)-----	85, 000
Epidemiologic study of congenital dislocation of the hip in a high incidence area (Poland)-----	30, 000

List of welfare administration, Public Law 480, projects pending consideration—
Continued

<i>Title of project</i>	<i>Cost of project</i>
Epidemiologic study of congenital dislocation of the hip in a high incidence area (Yugoslavia)-----	\$30, 000
Study of a simple method of obtaining morbidity data in a rural area (United Arab Republic)-----	20, 000
Study of simple methods of care of premature infants (United Arab Republic)-----	65, 000
Influence of nutrition education and school lunch on changes of food habits, physical and mental growth, and social adjustment at various ages (Israel)-----	25, 000
Nutritional anemia in pregnancy (Israel)-----	50, 000
Factors responsible for the development of megaloblastic anemia in infancy and its possible prevention (Israel)-----	10, 000
An evaluation of nursing services, utilizing auxiliary workers (India)-----	25, 000
Use of a "museum of child care" as a means of health education of mothers (India)-----	25, 000
Patterns of normal growth in the early years (India)-----	65, 000
Services for aging (Poland)-----	7, 000
An evaluation of 2 methods used in initial care for babies of low birth weights (Israel)-----	10, 000
Study of the incidence of phenylketonuria (PKU) through the application of the Guthrie technique in newborn nurseries (Israel)-----	20, 000
Development of simple methods of fluid administration in newborn (India)-----	25, 000
Total pending requests-----	1, 846, 500
Funds available for obligation-----	977, 831
Excess of pending projects over available funds-----	868, 669

PROJECTS PLANNED FOR 1964

Mr. FOGARTY. What countries do you expect to have projects in next year, and what types of projects are planned?

Miss LALLY. In fiscal 1964, on the welfare side, we expect projects in services for the aging. These will be proposed from Israel and Poland. They are interested especially in better services for people living alone in their own homes.

Mr. FOGARTY. Which one do you mean?

Miss LALLY. The one from Poland is being proposed from the Ministry of Welfare there. The Polish Ministry of Welfare has a public assistance program a little bit like ours, Mr. Chairman. They are providing some public assistance in their own homes. They do not have many trained social workers. They would like to use them a little more efficiently. They would like to put on a demonstration project of improved services for the aged. The life expectancy of people there is about 72.

Mr. FOGARTY. Is there anything else you want to say about this program?

Miss LALLY. I want to say in the delinquency field, we have had a number of excellent applications. One project was approved. We will approve probably four more in 1962 in this field.

Mr. FOGARTY. Where are they?

Miss LALLY. Israel, India, Cairo, and Poland.

Mr. FOGARTY. What is India doing on juvenile delinquency?

Miss LALLY. They are particularly interested in their aftercare program. They have established some of these halfway houses for care of youngsters after they get out of the institution but are not quite

ready to live in the community without supervision, and our juvenile delinquency experts think they have quite a bit to offer us.

Mr. FOGARTY. I did not know they had a juvenile delinquency problem there.

Miss LALLY. Everybody seems to have kids in trouble.

Mr. FOGARTY. Do they have juvenile delinquency in Israel?

Miss LALLY. It is just beginning with a group between 14 and 18, Mr. Fogarty. They are not in serious trouble.

Dr. WINSTON. Their figures are better than ours.

Mr. FOGARTY. Put that in the record—anything you have along that line.

(The information follows:)

According to the Israeli Ministry of Welfare, statistical evidence shows that there is both an absolute increase in delinquency as well as a higher rate of delinquency in proportion to the general population in Israel.

The demonstration project now in operation has considerable merit and has distinct values for the United States. A major element in its usefulness is the fact that the project has been initiated at a time when there is no serious crisis or widespread violence on the part of youth. Secondly, the project deals with youth from many different ethnic groups in a city with a rapidly expanding population. These young people have come to the city from rural areas and are coping with problems of complex city living for the first time. This is similar to many situations in the United States where delinquency is developing. The project will test methods of working with young people in such situations and has considerable promise for contributing knowledge useful to us in prevention of serious juvenile delinquency.

Miss LALLY. The Israelis asked to have their first project in the field of juvenile delinquency in Tel Aviv. That is one of the first projects. It is being directed by a graduate of Columbia University. It is interesting the way these international programs are tying in with the graduates going back and getting experience in research at home. Now they are ready to take on some research projects with us.

Mr. FOGARTY. Poland, India, and Israel seem to have projects on all of these programs?

Miss LALLY. Yes. They are very cooperative with respect to our programs. Of course, they have some excellent social scientists.

Mr. FOGARTY. Thank you very much.

TUESDAY, MARCH 19, 1963.

SALARIES AND EXPENSES, OFFICE OF COMMISSIONER

WITNESSES

DR. ELLEN WINSTON, COMMISSIONER OF WELFARE

JOSEPH H. MEYERS, DEPUTY COMMISSIONER OF WELFARE

ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	\$638	\$939	\$1,126
Positions other than permanent.....	2	3	35
Other personnel compensation.....			8
Total, personnel compensation.....	640	942	1,169
12 Personnel benefits.....	45	67	80
21 Travel and transportation of persons.....	20	29	66
23 Rents, communications, and utilities.....	12	26	25
24 Printing and reproduction.....	22	34	51
25 Other services.....	19	38	200
26 Supplies and materials.....	13	15	17
31 Equipment.....	18	17	19
Total obligations.....	787	1,168	1,627

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	90	113	124
Full-time equivalent of other positions.....			4
Average number of all employees.....	74	104	118
Number of employees at end of year.....	93	113	124
Average GS grade.....	9.7	9.8	9.9
Average GS salary.....	\$8,633	\$9,216	\$9,336

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Direction and coordination of the social security program-----	336	422	472
2. Appraisal and development of the social security program-----	418	679	1,058
3. Administration of cooperative research program-----	30	67	97
Total program costs, funded-----	784	1,168	1,627
Change in selected resources ¹ -----	3		
Total obligations-----	787	1,168	1,627
Financing:			
Comparative transfers to other accounts-----		5	
Advances and reimbursements from non-Federal sources:			
Federal old-age and survivors insurance trust fund (-):			
Limitation—annual appropriation acts-----	-322	-418	-602
Proposed increase in limitation due to pay increases-----		-18	
Unobligated balance lapsing-----	125		
New obligational authority-----	590	737	1,025
New obligational authority:			
Appropriation-----	590	711	1,025
Proposed supplemental due to pay increases-----		26	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$10,000; 1962, \$13,000; 1963, \$13,000; 1964, \$13,000.

Mr. FOGARTY. We will now be pleased to hear your statement on "Salaries and expenses, Office of the Commissioner."

GENERAL STATEMENT

Dr. WINSTON. Since the reorganization which resulted in the creation of the Welfare Administration was not effective until after the President's budget was submitted to Congress, there is no specific provision in that document for funds for the Office of the Commissioner of Welfare. In order to reflect the budgetary impact of the reorganization, we are now recommending that a separate appropriation be made for the Office of the Commissioner of Welfare for 1964. The amount of funds requested is \$1,025,000. Funds for this purpose are to be made available from the request for "Salaries and expenses, Office of the Commissioner of Social Security," and represent the amount of funds requested from the general funds of the Treasury for that appropriation, since the activities to be performed by the Commissioner of Welfare are those for which general funds were requested. Appropriation language to establish a separate appropriation account has been prepared for the consideration of the committee in addition to a revised budget justification.

The Commissioner of Welfare under the reorganization has been assigned responsibility for providing leadership and coordination of the programs of the Bureau of Family Services, Children's Bureau, Office of Aging, Office of Juvenile Delinquency and Youth Development, and the Cuban refugee program. In addition, the Commissioner is responsible for studying methods of improving the welfare programs throughout the country with special emphasis on preventive and rehabilitative services. The Commissioner also is responsible for supervision of the cooperative research and demonstration program.

The Commissioner is Deputy Chairman of the President's Council on Aging.

DUTIES OF PERSONNEL

The staff of 78 positions requested for 1964 for the Office of the Commissioner of Welfare is the same number that would have been financed from the general fund portion of the President's budget request for the Commissioner of Social Security. Thirty-one of the 78 positions will be engaged in formulating regulations, policies, and procedures for the Welfare Administration, in giving leadership and guidance to the programs, and in the overall direction and administration of the welfare programs of the Department.

Forty-three of the positions requested will be engaged in program research; in compiling, studying, and analyzing information in areas pertaining to welfare; and in planning for the most effective methods of developing more constructive approaches to social welfare problems. The remaining 4 positions will be engaged in administering the cooperative research and demonstration program.

1963 PROGRAM

In fiscal year 1963, primary attention is being directed to implementing the 1962 public welfare amendments, to the eligibility review of the aid to dependent children program requested by the Senate Appropriations Committee and to the establishment of the Welfare Administration. In 1964, emphasis will be placed on improving the administration of the Federal-State programs; to improvement in management; and to strengthening organizational and program relationships resulting from new and expanded programs created by the amendments and by recent establishment of the Welfare Administration. Also in 1964 increased emphasis will be placed on implementing and strengthening long-range research so that the Welfare Administration will be in a better position to do long-range planning in social welfare.

NEW POSITIONS

For 1964, we are requesting increases of 5 positions and of \$293,000. Three positions are requested to initiate a continuing National Family Welfare Survey to obtain data about the demographic, economic, and social characteristics of broad population groups of particular concern in developing social welfare policy. Data collection would be related primarily to low-income groups. Adequate data for such groups are not obtainable from existing sample surveys. The survey contemplated would be similar to the National Health Survey and would include a continuing series of sample population surveys and special analytical and methodological studies of particular importance for long-range research on welfare problems. Because this survey will also be of value to the old-age, survivors and disability insurance program, it will be carried out as a joint project with the Social Security Administration. It is estimated that total 1964 costs of tabulations related to the survey will be \$150,000 of which \$95,000 is requested in this appropriation. The remaining \$55,000 is included in the Social Security Administration budget request.

The remaining two positions are requested to work on management, budget, fiscal and personnel services. Existing staff is unable to keep current with the additional workload resulting from the amendments, from the reorganization, and from increased Government-wide emphasis on management and fiscal surveys, appraisals, and reports in these areas of work.

In order to improve the administration of the cooperative research and demonstration program, we are requesting funds to increase the size of our Advisory Panel and the number of advisory meetings that can be held each year. This group evaluates the research and demonstration projects which are submitted for approval in terms of the benefits to be derived, adequacy of design, professional skills offered, and so forth. We currently have funds to finance a Panel of six persons and two meetings a year. Based on our experience of a year and a half, we now are convinced that the Panel should meet three times a year and should be increased in size in order to review the increasing number and different types of applications being submitted.

Because of the larger number of applications, we are also requesting funds to finance an increased number of man-days of consultant-specialist time for this program. Specialists are hired, as needed, to advise on projects where a necessary discipline or subject area is not covered by the qualifications of members of the Panel and to provide on-site consultation and evaluation of some projects both prior to and following a grant award.

This briefly summarizes the budget request of the Office of the Commissioner of Welfare for 1964. If you have questions, my associates and I shall be happy to answer them.

Mr. FOGARTY. Thank you.

SOURCE OF FUNDS

Do you have any part of this budget that comes from the trust fund?

Dr. WINSTON. No, sir.

Mr. FOGARTY. Then the part that applies to your office is \$732,000 for 1963, if the Pay Act supplemental is approved. Is that right?

Mr. KELLY. That is correct. Yes.

Mr. FOGARTY. And the part of the 1964 budget that applies to your office is \$1,025,000 or does part of the savings Mr. Kelly spoke of last Friday come out of that?

SAVINGS IN SOCIAL SECURITY

Mr. KELLY. All of the savings were in the trust fund area, because we removed a layer of administration between the Office of the Secretary and the Bureau of Old-Age and Survivors Insurance.

Mr. FOGARTY. What were these savings?

Mr. KELLY. Six positions and \$48,000.

Mr. FOGARTY. Then you are asking for an increase of \$239,000 and five positions.

Mr. WYNKOOP. Yes, sir.

Mr. FOGARTY. How does that compare with the decrease of six positions?

Was the loss of six taken into consideration in asking for the increase of five?

Mr. KELLY. When I spoke of the savings, the savings will materialize for the latter part of 1963 and for all of 1964. It is a savings from the budget which had been developed without regard to the organizational change.

Mr. FOGARTY. I see.

Why is all the savings being taken by the Commissioner of Social Security?

Mr. KELLY. For the reason that I suggested, that heretofore there has been a layer of administration between the Secretary's Office and the Bureau of Old-Age and Survivors Insurance; there is no such layer now.

We were able to consolidate the administrative management activity at the Bureau and Commissioner's levels.

NATURE OF NEW POSITIONS

Mr. FOGARTY. What are these five new positions for?

Mr. WYNKOOP. Two of them are in the area of administration, budget, and fiscal planning in my immediate office. The other three posts have to do with the national family welfare survey that Dr. Winston mentioned in her testimony.

If you would like more information about that, Miss Epstein will talk to it.

Mr. FOGARTY. What are the three positions needed for?

Miss EPSTEIN. Two of them are professional positions and one is a clerical position. The three additional positions requested are needed for developmental work in connection with a continuing national family welfare survey which will yield data on the demographic, economic, and social characteristics of broad population groups, primarily those with low income.

Mr. FOGARTY. What kind of professional positions are they?

Miss EPSTEIN. I think one is a 14 and one a 13.

Mr. WYNKOOP. That is correct.

Mr. FOGARTY. Would they be doctors, lawyers, or social workers?

Mr. WYNKOOP. Research people.

Miss EPSTEIN. Economists, sociologists.

INCREASE IN OTHER SERVICES

Mr. FOGARTY. You show a fairly large increase for other services from \$17,000 to \$126,000. Is there any special reason?

Mr. WYNKOOP. The great bulk of that is the cost of tabulations associated with the national family welfare survey. As a matter of fact, that is \$95,000 of that particular item increase of \$109,000.

So the great bulk of the increase has to do with the payment for tabulations for the study that we have just been talking about.

Mr. FOGARTY. Thank you, Doctor.

SALARIES AND EXPENSES, OFFICE OF AGING

WITNESSES

DR. DONALD P. KENT, DIRECTOR, OFFICE OF AGING

DR. ELLEN WINSTON, COMMISSIONER OF WELFARE

ROY L. WYNKOOP, EXECUTIVE OFFICER, WELFARE ADMINISTRATION

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	249	369	408
Positions other than permanent.....	17	12	12
Other personnel compensation.....	1		3
Total personnel compensation.....	267	382	424
12 Personnel benefits.....	17	25	30
21 Travel and transportation of persons.....	58	47	47
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	3	4	4
24 Printing and reproduction.....	16	32	32
25 Other services.....	10	2	3
26 Supplies and materials.....	2	2	2
31 Equipment.....	4	3	2
Total obligations.....	379	497	545

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	45	48	48
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	34	45	46
Number of employees at end of year.....	47	48	48
Average GS grade.....	9.2	9.6	9.6
Average GS salary.....	\$7,884	\$8,785	\$9,020

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities: Office of Aging (costs—obligations).....	379	497	545
Financing: Comparative transfers from other accounts.....	—379	—497	
New obligational authority (appropriation).....			545

GENERAL STATEMENT

Mr. FOGARTY. Who is going to justify the Office of Aging budget?

Dr. WINSTON. Dr. Kent is here.

Mr. FOGARTY. Go ahead, Dr. Kent.

Dr. KENT. Thank you, Mr. Chairman.

I have a statement I will put in the record with your permission.

ESTABLISHMENT OF OFFICE

The Office of Aging has been established as a unit of the newly created Welfare Administration with a separate appropriation title for 1964. It replaces the Special Staff on Aging, which was a part of the Office of the Secretary. These administrative changes should strengthen the program and lay the foundation for future expansion of responsibilities.

A 1964 appropriation of \$545,000 is requested to enable the Office of Aging to perform increased activities in 1964 in stimulating and coordinating aging programs. The Office now has 26 professional staff members and 22 clerical staff—a total of 48, which includes staff in each of the 9 regional offices. The 1964 appropriation does not call for any increase in staff.

1963 PROGRAM ACCOMPLISHMENTS

Primary emphasis this year has been in helping State organizations in their efforts to get more and better programs established in the communities and neighborhoods where older people live. There are now 35 permanent State commissions or committees on aging and 10 temporary ones. The number of communities with coordinating and stimulatory committees or councils on aging increased by 318, making a total of 839. Our regional representatives gave more than 1,500 personal consultations to State and local leaders; specialists from headquarters staff accepted some 800 invitations to work with State, local, and voluntary organizations.

This year the Office has been able to step up its guidance to groups of persons and organizations who are eligible for Federal aid programs; it has reactivated the HEW departmental Committee on Aging; and it has established a 29-member panel of outside advisers. Several of these panel members assisted in developing the basic plans for the National Service Corps and we now have reason to believe that if this program is launched it will give retired people opportunities to use their leisure more effectively. The expanded staff provided in 1963 also enabled the Office to offer services to a number of voluntary organizations that wished to develop or strengthen their programs for the elderly. To date, close working relationships have been established with over 60 such organizations.

Three new series publications were started this year: "Selected References," "Highlights of Legislation," and "Facts on Aging." We are continuing the "Patterns for Progress in Aging." The monthly news bulletin "Aging" has been expanded and improved.

We have stepped up considerably our efforts to help States and communities get the trained manpower they need. We set up day-long seminars at 13 universities, in cooperation with the Rocky Mountain Gerontological Association, at which were outlined the needs and methods whereby these universities could help to meet them. As a result of this project, it is hoped most of these universities will soon set up training programs. Similar assistance was given to more than 20 other universities throughout the country, and courses, materials on aging, and, in some cases, institutes of gerontology have been established.

While the followthrough on 1963 activities will command first priority in 1964, we also hope, without further expansion of staff, to start several additional activities designed particularly to help the operators of programs, such as the preparation of how-to-do-it publications and other training manuals on specific programs. We likewise hope to make greater use of national media—radio, television, and press—in providing a backdrop of information that will help to reinforce support of local activities.

(The prepared statement follows:)

The Office of Aging has been established as a unit of the newly created Welfare Administration with a separate appropriation title for 1964. The Office replaces the Special Staff on Aging, which was a part of the Office of the Secretary, and takes over the staff and duties of that unit. These administrative changes should strengthen the program and lay the foundation for future expansion.

As a result of the increased budget appropriated for 1963, the activities of this unit in stimulating and coordinating programs for the elderly have been substantially increased during the past year. A 1964 appropriation of \$545,000 is requested to enable us to further develop these activities. The sum is an increase of \$48,000 over last year's budget. This increase is needed to place on a full year basis the three new positions which were authorized last year, and to help defray the costs of the increased salaries authorized by the 1962 Pay Act.

The Office of Aging now has 26 professional staff members, including a representative in each of the 9 regional offices, and 22 clerical staff. Its function is primarily that of catalyst—providing the information and technical assistance that will stimulate operating programs at all levels—National, State, and local—to provide more services and opportunities for the 10th of the Nation who are in the 60-plus age group.

STATE PROGRAMS

Our primary concern this year has been to help State organizations in their efforts to get more and better programs established in the communities and neighborhoods where older people live. State executives were brought to Washington last spring to enable them to discuss their mutual problems and to indicate in what ways the Federal Government could best assist them. A similar conference is now being planned with a committee of State executives and is scheduled for April 1963.

During 1962 three more States set up permanent organizations on aging by legislative action and one more by administrative action. One new temporary commission was established by administrative action. There are now 35 permanent State commissions or committees on aging and 10 temporary ones. Five States are now considering legislation to establish aging commissions. The number of communities with coordinating and stimulatory committees or councils on aging increased by 318; making a total of 839. Without in any way detracting from the State and local initiative which brought about this expansion, I believe that the leaders of these programs would themselves agree that the technical aid they received from the Office was an important contributing factor. Our regional representatives gave more than 1,500 personal consultations to State and local leaders and specialists from headquarters staff accepted some 800 invitations to work with State, local, and voluntary organizations.

Illustrative of such service is the assistance of the regional representative on aging has given to the Maryland Coordinating Commission on Problems of the Aging in developing local councils. Eighteen of the State's 23 counties, and also the city of Baltimore, have organized councils during the past 18 months to plan, develop, and coordinate well-rounded programs for their elderly residents. Regional representatives have also given considerable assistance to the American Association of Retired Persons and other voluntary organizations in connection with 81 regional meetings which were held this year.

FEDERAL AID PROGRAMS

This year the Office has been able to step up its guidance to persons and organizations who are eligible for Federal aid programs. There are now over 30 units of Federal Government that administer some type of financial assist-

ance which can benefit the elderly. There are 17 different programs in 8 different units of 5 agencies that give some type of financial aid for senior citizen housing or nursing homes. There are at least 15 that provide research grants.

Unless those who are potentially eligible for such aid know about it, some of this investment inevitably goes, not to the best project, but merely to the best proposed by those who applied. Yet it is difficult for all those who may be eligible for such aid to know where and how to apply for it.

Because of its all-inclusive interests, the Office is frequently called upon for guidance. It is not entirely coincidental that, with the expansion of the Office, NIH research grants related to aging have reached an alltime high of over 900 projects or that Federal aid for senior citizens housing was more extensive this past year than in the previous 5 years together. Obviously, congressional action in strengthening these programs and the work of the administering agencies were the major factors but the work of the Office has helped to put the grants in places where the investment will pay maximum dividends.

Not only the expansion of our staff, but also the reactivation of the HEW Departmental Committee on Aging, made it possible to give added service since a high proportion of all Federal aid benefiting the elderly is administered by HEW units. The HEW committee now meets once a month to review its programs, exchange information, and plan further measures for assuring that the aged receive their proportionate share of benefits.

PANEL OF CONSULTANTS

Better service to States was also a prime reason for establishing a panel of outside advisers last spring. This 29-member panel reviewed all HEW programs for the aging. Of the 31 recommendations made by them, 23 are now being carried out and legislative authority will be sought to enable us to carry out a number of others.

Several panel members also assisted in developing the basic plans for the National Service Corps proposed by the President in his state of the Union message. By bringing panel members to meet with the planners of this program, by working with voluntary organizations, and by detailing staff members to work directly with the planners for a number of days, there is every reason to believe that, if this program is launched, it will bring needed volunteers into local programs for the elderly and will give retired people opportunities to use their leisure more effectively.

SERVICES TO VOLUNTARY AGENCIES

With the expanded staff obtained in 1962, we have also been able to offer services to a number of voluntary organizations that wished to develop or strengthen their programs for the elderly. A staff member was hired during the past year to devote full time to such work and has to date established close working relationships with over 60 organizations.

For example, she was invited to assist in a 4-day work session of a special committee of the Young Men's Christian Association which developed detailed proposals for a nationwide program of YMCA work with older adults. She has given personal consultation to such service clubs as Kiwanis, Lions, and Rotary in which services to older people are becoming more and more important. She assisted the General Federation of Womens Clubs in developing gerontology program guides for its 15,000 clubs throughout the country.

SPECIAL MATERIALS

The added budget authorized for 1963 also enabled the Office of Aging to provide more of the informational materials requested by State executives, voluntary agencies, and others concerned with aging.

Three new series publications were started this year: "Selected References," a series listing and annotating current source materials on specific subjects such as homemaker programs, volunteer services, and housing for the elderly; "Highlights of Legislation," a series of reports on current State and Federal legislation; and "Facts on Aging," a series of factual data on various aspects of aging compiled by the Office of Aging from Census Bureau and other materials. We plan to issue new bulletins in these three series as frequently as the subject matter merits.

The older series publication: "Patterns for Progress in Aging," booklets which describe successful State and local projects in detail so that others can follow the pattern, is being continued. The most recent one, published in October, described the Hodson Day Center program in New York City. Special requests and sales already total over 5,000 copies.

Aging, the monthly news magazine for workers in the field of aging, has been expanded and improved. Demand for it from official agencies that are legally entitled to free copies has now become so heavy that we are this month issuing a special appeal to these recipients asking them to become paid subscribers.

Among the more technical publications and articles produced during the year is a report of a Maryland State Conference on Education which is now at press. This conference, which both this office and the Office of Education helped to develop, was so successful that the proceedings are being reproduced as a guide for other States.

INCREASED TRAINING PROGRAMS

With the expanded staff obtained in 1962, we have been able to step up considerably our efforts to help States and communities get the trained manpower they need. A sample survey conducted this year by our representative in the Atlanta region indicates that this area alone, in the estimation of persons now operating State and local service programs for the elderly, will need at least 2,200 more specialists in aging within the next 5 years. To help overcome the national manpower shortage the expanded staff, during the past year, has worked with over 700 faculty members in 25 universities to assist them in building up the necessary courses.

For example, in cooperation with Rocky Mountain Gerontological Association, we set up daylong seminars at 13 universities in Colorado, Idaho, Montana, Utah, Wyoming, and Washington at which members of the Office of Aging and the director of the University of Michigan Division of Gerontology outlined both the needs and the methods whereby these universities could help to meet them. These seminars were attended not only by key faculty members, but also by the deans and presidents who must authorize changes in curriculums. As a result of this project, we believe that most of these universities will soon set up training programs.

Our grounds for such optimism is the fact that, largely as a result of our staff's work with them, over 160 universities, colleges, and professional schools in all parts of the country now have training programs.

1964 PLANS

Each of the innovations of 1963 will call for much intensive followup work in 1964. For example:

Several new issues of the serialized publications have been requested.

Written guidelines on Federal aid programs are also in demand.

The additional work with universities and other training facilities has made it almost mandatory to develop a number of model course materials.

The work done with voluntary agencies has stimulated requests for similar service from other voluntary organizations.

The growth of State and local programs has similarly increased the number of requests for consultation and other services coming in to our regional representatives.

While the followthrough on such activities will command first priority in 1964, we also hope, without further expansion of staff, to start several additional activities designed particularly to help the operators of programs, such as the preparation of how-to-do-it and other training manuals on specific programs. We likewise hope to make greater use of national media—radio, television, and press—in providing a national backdrop of information that will help to reinforce support of local activities.

In closing, I would like to stress that these descriptions of our services to State, local, and voluntary organizations, of our work with universities to help them build up their research and training programs in aging, and of our publications are illustrative only. For each example cited, many equally encouraging developments could be substituted.

Together, I believe they well justify the expansion of staff and budget which you authorized for 1963. With the experience gained this year by the seven professional members who were added to the staff at various times during the year, the most recent less than 2 months ago, I believe even more progress will be recorded during the year ahead.

EFFECT OF REORGANIZATION ON AGING PROGRAM

Mr. FOGARTY. Thank you, Mr. Kent.

I do not know whether you had anything to do with suggesting this reorganization or not.

I have never thought it was a good idea. This is nothing against Dr. Winston. I have said this before, when I read of her background, I thought she must be one of the best public welfare administrators in the country.

But whether we like it or not, we have a welfare administration now. I have had several complaints, and I have talked to Dr. Winston about this, from people who are interested in the aging program and who thought that taking your Office of Aging out of the Office of the Secretary and putting it under Welfare was sort of a downgrading.

How do you feel about it?

Dr. KENT. Mr. Chairman, I think the reorganization can give much greater strength to our aging program.

In the first place, it gives, it seems to me, a greater stability by placing this in an operating agency rather than having it as a special staff.

Any kind of special staff has some of the elements of impermanence to it.

Mr. FOGARTY. You would not agree with me anyway, but I did not agree with the reorganization as you well know. Of course, basically, I don't think it should be in the Department at all. I am still making speeches about it and will continue to, and expect to introduce legislation again real soon to create a separate U.S. Commission on Aging.

I just cannot see it any other way. Most of the people I talked to seem to agree to our approach. Most of the people in Congress I talked to seemed to agree on it. About all the hearings that have been held on the matter of aging have come to the same conclusion or 98 percent of the people that attended have been of that opinion.

At our last discussion of the special staff on aging, some people thought I was a little bit critical of the failure to recruit. But recruitment is not a problem any longer.

COLLEGE TRAINED PERSONNEL RECRUITED

Dr. KENT. We are virtually at our full complement of 48 positions. We have at present two professional vacancies, one person who was transferred very recently and we are recruiting for both of those.

Mr. FOGARTY. You were seeking university trained professional persons as I remember.

Dr. KENT. That is correct.

Mr. FOGARTY. How many university trained professional persons were recruited?

Dr. KENT. The head of our Field Service Division, Dr. Taves; a new worker in the field, Mr. Frankel who has a master's in social work and taught at universities; Dr. Helen Flint in research and training; Miss Shmelzer in research and training. Offhand, these are four of our professionals in the main office that I recruited who had special training in the areas we were looking for.

Actually, of the 48 that I am talking about, there were 9 professionals who were already there and there were 9 regional representatives.

Mr. FOGARTY. Many of them have been there for some time.

Dr. KENT. Many of them have been here for some time. When I am talking about 48, Mr. Chairman, I am not talking about 48 professionals. We have 26 professionals.

Mr. FOGARTY. It is my recollection that you said you were having difficulty getting trained professionals. I was wondering since that time how many have you been able to recruit.

Dr. KENT. This was the reason for our delay in employing personnel. I cannot think of anyone we have employed other than in the public information area, where I was looking for people who were trained in public information techniques, who have not been trained in either community organization, sociology, or social work.

Mr. FOGARTY. Of all those that you have hired in the last 2 years that were university trained professional persons, will you put in the record who they are and what their training was—where they were trained and length of training?

Dr. KENT. I will, sir.

(The information requested follows:)

PROFESSIONAL PERSONNEL EMPLOYED 1962-63

Irma Ehrman, information officer:

Education: 1947: A.B., Black Mountain College, Black Mountain, N.C.; major, English literature.

Experience: 1951-53: National Education Association, editor—research. 1953-61: employed in two congressional offices as legislative and press assistant. Staff assistant to Senator Clark, a member of Senate Aging Committee, and assigned to work with the committee. 1961-62: information officer, Community Facilities Administration, HHFA, attached to senior citizens loan program.

Helen M. Flint, specialist in aging:

Education: 1931: B.A. Mount Holyoke College, South Hadley, Mass. 1935: M.A., New York University, School of Education, New York. 1957: Ed.D. George Washington University, Washington, D.C.; major, educational administration, minor, adult education (special studies in aging).

Experience: 1934-43: Teacher, English and social studies, senior high school, Port Chester, N.Y. 1943-46: Active duty, U.S. Navy (LCDR). 1946-47: Educational consultant, U.S. Maritime Commission (develop educational programs; administer an educational program). 1947-58: Educational specialist, (curriculum and course materials), U.S. Navy Training Publication Center, 1958-62; Educational specialist (administration), Military Petroleum Supply Agency. Develop and administer training programs for officers of Army-Navy-Air Force and civilians.

Godfrey Frankel, specialist in aging (social services):

Education: 1935: B.A., Ohio State University, Columbus, Ohio. 1950: M.S., New York School of Social Work, Columbia University, New York. 1954-59: Doctoral program, Western Reserve School of Applied Social Sciences, Cleveland, Ohio.

Experience: 1935-45: Newspaper work. 1945-46: Regional information specialist, War Relocation Authority, U.S. Department of Interior. 1946-47: Publicity director, Jewish Education Committee. 1948-50: Graduate school. 1950-62: Branch director and director, Jewish Community Center, Cleveland, Ohio.

John Huss, program analyst (trainee):

Education: 1958: A.B., Duke University, Durham, N.C. 1960: A.M., Duke University, Durham, N.C. 1960: Post master's work, U.C.L.A., Los Angeles, Calif., political science.

Experience: 1956-58: Clerk, U.S. Senate (during vacation periods). 1958-59: Duke University, graduate scholar. 1959-60: University of California, reader, research assistant. 1960-61: Active duty, U.S. Army. 1961-62: Management analyst (trainee).

Ruth Lauder, public information officer, Chief of Information Division:

Education: 1936: B.S., University of Wisconsin, major in journalism. 1936-55: Graduate studies at University of Chicago, American University and New York School of Social Work. (This included various night courses in public relations, public health, and welfare.)

Experience: 3 years as reporter on Battle Creek, Mich., Moon Journal. 2 years as copywriter for Behel & Waldie Advertising Agency, Chicago, Ill. 10 years as director of public relations, United Charities of Chicago. 2 years as information officer, Office of Price Administration, Springfield, Ill., district. 14 years in various information positions in the Social Security Administration and the Public Health Service of the Department of Health, Education, and Welfare.

Dorothea J. Lewis: public information officer:

Education: 1929-35: George Washington University, Washington, D.C., as special student while engaged in newspaper work.

Experience: 1929-35: Washington correspondent for 13 daily newspapers covering Congress, White House, and Federal department. 1936-43: Chief, radio information for National Park Service, Interior Department. Radio information officer, Office of War Information. 1943-62: Engaged in freelance writing and audiovisual media production and program consultation for such organizations as American Red Cross, National Education Association, National Broadcasting Co., Columbia Broadcasting System, Departments of Commerce and Health, Education, and Welfare; publications include Atlantic Monthly, Reader's Digest, New York Times, Washington Star, Christian Science Monitor. In recent years became more involved in planning and interpretation of policy, methods of organization and operation.

Olivia Coulter, public information specialist:

Education: 1939: B.S. (cum laude) Northwestern University, Evanston, Ill.; major, English composition. 1962: Course work and comprehensives completed for M.S., American University, Washington, D.C.

Experience: 1935-37. 1944-45: Teacher, elementary school, Fort Stockton, Tex. 1939-41: Assistant and then head, editorial department, Northwestern University, Evanston, Ill. 1946-48: Editor, School Savings Journal, U.S. Treasury Department, Washington, D.C. 1948 (2 months): Writer, Office of Health Information, Public Health Service, Federal Security Agency, Washington, D.C. 1948-49. 1950-51: Freelance artist, Washington, D.C. 1949: Printing and publication officer, Naval Reserve Training Publications Project, PRNC, Navy Department, Washington, D.C. 1949-50: Visual information specialist, National Cancer Institute, Public Health Service, Federal Security Agency, Washington, D.C. 1951-58: Educational specialist (course materials), Navy Training Publications Center, PRNC, Navy Department, Washington, D.C. 1958-62: Education research and program specialist (head, Editorial Unit III), Office of Education, U.S. Department of Health, Education, and Welfare, Washington, D.C.

June Shmelzer, specialist in aging:

Education: 1955: B.A., University of Connecticut, Storrs, Conn. 1957: M.A., in sociology, University of Connecticut, Storrs, Conn. Ph. D. preparation not completed—Washington University, St. Louis, Mo.

Experience: 1956-58: Teaching sociology and anthropology at University of Connecticut and Washington University. 1956-57: Research (social) at University of Connecticut. 1959-61: Research, U.S. Public Health Service, Bureau of State Services and National Institute Mental Health. 1961-62: Research, National Institute of Health, Division of Research Grants.

Ada Barnett Stough, specialist in aging:

Education: 1926, A.B., West Virginia University, public speaking and English.

Experience: 1930-33: 1945-55, head of public relations department, League of Women Voters; 1937-40, editor, weekly newspaper, Hubbard, Ohio; 1952-61, executive director, American Parents Committee.

Marvin J. Taves, specialist in aging, Chief, Field Services Division:

Education: 1941, A.A., Bethel College, St. Paul, Minn.; 1945, B.A., Hamline University, St. Paul, Minn.; 1945, B.D., Bethel Institute, St. Paul, Minn.;

1952, M.A., University of Minnesota, Minneapolis, Minn.; 1954, Ph. D., University of Minnesota, Minneapolis, Minn.; major, sociology and research methods.

Experience: 1950-62, professor of sociology and supervisor, rural sociology; 1945-50, teaching assistant and instructor, University of Minnesota, and Washington State University; 1956-57, Fulbright lecturer to Austria.

NEED FOR OVERALL PLAN FOR USE BY STATES

Mr. FOGARTY. You know better than anyone else that since the White House Conference of 2 years ago I have been waiting for this so-called blueprint of action.

Has one ever been developed?

Dr. KENT. We have made several attempts, Mr. Chairman. In some instances we have been successful and in some, not.

Mr. FOGARTY. I am talking about an overall blueprint that all the States could follow and I thought that was one of the big things recommended by the Conference.

That is 2 years ago.

Dr. KENT. I would say the Presidential message on aging which was delivered a few weeks ago, and as you know, is the first in the history for a President to deliver to Congress, in itself constitutes something of a blueprint for action.

There are listed some 36 specific recommendations. At the same time we have prepared and are collecting currently a community checklist.

This is a list of community services for older persons and this also constitutes a pretty good blueprint for a community.

Mr. FOGARTY. I read the message and I support the President's program but I daresay that not more than 10 Members of Congress have had time to read that message and really study it.

Everything in the world was thrown into it.

Dr. KENT. It was a very comprehensive message. This is the reason we can say in effect, it does constitute a blueprint for action: and the Office of Aging played some part in the development of this, Mr. Chairman.

Mr. FOGARTY. I am afraid this sort of approach might be used by the opponents in an attempt to kill medical care for the aged through social security.

Dr. KENT. In addition to that, Mr. Chairman, on the blueprint, I would like to say, last April we had a conference of State executives on aging who also dealt with recommendations for State action; and I think in effect this also constitutes something of a blueprint. We do not have the kind of blueprint which I think you have in mind and one which I would like to create. In trying to develop this, I discovered programs in aging cut across many departments and many agencies; and it was necessary to get clearances here which proved very difficult. Also, whenever you are talking about blueprints, you are talking about plans for the future, and I found an understandable caution in the departments and agencies on saying what things should be 5 years from now when there may be a very different set of administrators.

Mr. FOGARTY. I do not know of any agency, including yours, that has come up with a better, more constructive idea than that which came out of the White House Conference on Aging.

Dr. KENT. We have given wide publicity to it, Mr. Chairman.

Mr. FOGARTY. In my opinion the Department has fallen down on the job. I still think this approach that you have is not going to be successful. I think the budget reflects it. The problem is getting worse every year and you show no increase in personnel at all which in my opinion is a bad sign. There are others who will not agree with that. They think by standing still or cutting back—this is good. I don't believe that.

SELECTED REFERENCES ON AGING

What is this "Selected References on Aging" publication?

Dr. KENT. This is a publication, a series that we reproduce. It comes in a three-hole notebook so that individuals in the States can collect these. We cover such topics as housing for older people, homemaker services, and use of older people as volunteers. Each selected reference contains a brief statement of the kind of program; and we give some illustrations of where they can find information. We annotate it and briefly describe the information.

Mr. FOGARTY. What was wrong with the two films that were produced by the National Council on the Aging? They could not understand why those films were not included. They thought they knew what they were doing, and couldn't understand why they were omitted.

Dr. KENT. Mr. Chairman, they were not omitted deliberately. The "Selected References on Aging" on films listed primarily those that came out very recently. The films of the national council were not very recent ones.

Let me say that there was no intent in any way to omit materials from the national council. We have worked very closely with them on many occasions and continue to do so.

Mr. FOGARTY. The report of the meeting with State officials, I have been told, was sort of "thrown together"; sections were out of sequence, and it was obviously a hurried job. I have not had a chance to go over it. But this is one of the complaints that I have had.

Dr. KENT. Mr. Chairman, I would say it was not thrown together hastily. In fact, we took considerable time.

Mr. FOGARTY. This comment was from one of the people who attended your meeting may I say.

Dr. KENT. We took the papers as they were presented, Mr. Chairman, and did a minimum of editing because this is the proceedings of a conference.

ADVISORY GROUPS

Dr. WINSTON. We do have a meeting with State representatives of the States scheduled for the coming month, by the way, Mr. Chairman, when we will have an opportunity to talk again in great detail with the people who carry the responsibility for the State commissions and committees on aging.

Mr. FOGARTY. Did you call together a group? Since you have been in this job have you called together a group?

Dr. WINSTON. Well, I probably have spent more time in the field of aging in the few weeks I have been on the job than in any other area of the work.

Mr. FOGARTY. Did you call in a group of representatives around the country to explore ways to expand the program or for some other reason?

Dr. WINSTON. We have not called together people specifically in the field of aging. Now, we did have meet with us very early what is known as the Executive Committee of State Directors of Public Welfare.

Mr. FOGARTY. They are all State welfare——

Dr. WINSTON. They are all State welfare directors. But we have scheduled for April the next annual meeting of this group that you referred to that met about a year ago.

We do have other channels through which we are getting a great deal of advice and consultation. There is an advisory committee that was set up for the Department last year, I believe. We are bringing that membership up to date and planning some expansion of it, because we would like to see it more representative.

PRESIDENT'S COUNCIL ON AGING

We are working very closely with the President's Council on Aging and that group now has been meeting regularly through its executive committee.

We have set up a whole series of subcommittees which are working quite diligently in a number of areas that need prompt attention so that we can begin to fill in some of the major gaps in the areas of aging.

Mr. FOGARTY. What is your relationship with the President's Council on Aging?

Dr. WINSTON. Well, the title that I carry is Deputy Chairman.

Mr. FOGARTY. Who is Chairman?

Dr. WINSTON. Secretary Celebrezze is the Chairman.

Mr. FOGARTY. So you are the one that does all the work if you are the deputy?

Dr. WINSTON. We are working very hard on this program. I am sure you will be pleased.

Mr. FOGARTY. Have you met with the Council?

Dr. WINSTON. Yes, sir; and the Council met with the President last week.

Mr. FOGARTY. How many meetings have you attended?

Dr. WINSTON. I have now attended three meetings. We had a first meeting soon after I came, at which time the Secretary indicated that he would like to have me serve as his deputy. We took steps to set up and get approval for working committees.

There are several projects in which the Department of Labor is carrying the responsibility with representation from other agencies. There is the special committee in the field of nursing home care which, in spite of all the time and——

Mr. FOGARTY. Yes, I read his message on that.

Dr. WINSTON. These committees are not all in the message.

Actually the Council had met and had decided on the areas where it would place major attention before the message. Then we fol-

lowed up on that. We had a second meeting of what we call the Executive Committee. These are really the working people from the Departments. We went right down the line on the projects, not only in terms of what they plan to do, but when they plan to have it done. I am sure that one of your concerns, like mine, is that we not just talk but that we have dates of accomplishment established.

Then we had the meeting last week with the President. We will be meeting again on April 2 with the working group which meets every month. There is, of course, a tremendous amount of work that goes on in between meetings.

Mr. FOGARTY. What do you call the working group? Do you call that the President's Council?

Dr. WINSTON. The working group is officially known as the Executive Committee. The working group is within the President's Council. For example, the Secretary of Labor has designated those members of his staff who will be working specifically in his field; the Secretary of Agriculture is represented by certain key members of his staff in his field; the Civil Service Commission is represented by the Director of the Bureau of Program and Standards; we also have representatives from the Treasury Department, and Veterans' Administration—it really is a very fine working group. In many respects, it is like the better State committees and commissions that are truly representative of almost all interested parts of government.

Mr. FOGARTY. What were these three meetings you have attended, meetings of this working group or full meetings of the President's Council?

Dr. WINSTON. The first meeting was really a meeting of the Council itself.

Mr. FOGARTY. How many are on the Council?

Dr. WINSTON. Eight. There are eight agencies.

At the first meeting the decisions were made with regard to the plans for the working group. The working group which is really the executive committee as it were, has since met once. Its next meeting is scheduled for the second of April. But I would like to come back in that connection to another point. As I said, I have spent much time on this field of aging myself. The point that Dr. Kent made about how we should bring to bear the resources of the Department in terms of the reorganization is very important. The President's Council relies very heavily on the Office of Aging. We maintain a very small staff for the President's Council itself. The thought back of that is that each of the different agencies of government has responsibilities under the law. By working cooperatively and supplementing each other's efforts, we do better to have the agency with legal responsibility carry the ball, as it were, and the rest of us support them in their activities.

We have a special committee on welfare services that is broken down into about four or five different subcommittees which take the responsibility for those areas of services for older people which fall in our field. However we call in the other agencies of government to work with us.

I think there is one other facet here that deserves attention. As we have approached our responsibilities we have not thought in terms of particular groups of the aged. For example, just low income people. It is our firm conviction that older people in all economic and social

groups may need a wide variety of services and that we have to plan across the board. In any of the programs that are carried out, whether they be under the aegis of the President's Council on Aging or whether they be through the Office of Aging, we must think in terms simply of older people; not of older people who happen to fall into a particular specialized group.

Mr. FOGARTY. What major project has the President's Council supported up to this point?

Dr. WINSTON. I cannot speak for the President's Council before January 28. Actually it was about 10 days after that when we had our first meeting. But at this point, it is working on a number of projects.

WORK OF DEPARTMENT OF LABOR

One major area of emphasis has to do with employment opportunities for older people, and here we are concerned with building up our factual basis, which as you know is quite inadequate at this point.

Mr. FOGARTY. What do you think about the job that the Department of Labor is doing?

Dr. WINSTON. They have assumed full responsibility. The Secretary himself—

Mr. FOGARTY. They have been in this field for quite a while.

Dr. WINSTON. For putting some intensive work into this area.

Mr. FOGARTY. Secretary Mitchell tried to do a good job here, too, but he did not accomplish much. I have not heard of any real accomplishments under Secretary Goldberg or Wirtz either; although Mr. Wirtz is doing a good job as Secretary, but in this area—

Dr. WINSTON. We have high hopes for what they are going to do.

Mr. FOGARTY. That is what everybody has said for 20 years—17 years from my first-hand knowledge.

Dr. WINSTON. Yes, but you and I both want to see concrete results on this.

Mr. FOGARTY. Yes.

Dr. WINSTON. We also are asking for some special emphasis on part-time employment, because with the conditions associated with the receipt of social insurance payments and with our own new old-age assistance emphasis, we need to take a good sharp look at the whole area. So we are promised some specific reports within the next few months.

Now, that is one area.

Mr. FOGARTY. The Department of Labor has been carrying on some research for some years now.

Dr. WINSTON. Yes.

Mr. FOGARTY. And nothing much has ever come out of this.

This is what the Secretary of Labor said this year:

Mr. Denton said:

Everywhere I go, there is raised this question about a man over 45 not being able to get a job.

Secretary WIRTZ. I wish I could answer on the record of accomplishment more effectively. I cannot pretend to. I have said that I think that particular work problem has received the least effective attention of any in the whole workforce situation. We have these ideas in mind, but I do not pretend we have it licked by any means.

That was his response to our question a few weeks ago.
 What other major projects has the Council taken on?
 Dr. WINSTON. Then we have the whole series—

SPECIAL PROJECTS

Mr. FOGARTY. I am talking about major projects, studies; not putting together a lot of pamphlets or anything like that.

Dr. WINSTON. No; we do not need more words.

Mr. FOGARTY. You have a lot of them?

Dr. WINSTON. Yes; under housing, we have several committees that are working on such problems as modernization of homes for the aged. Of course that is a tremendous program and one of the programs that is a very wonderful one is carried out under the Farmers' Home Administration.

Mr. FOGARTY. Not enough people know about it.

Dr. WINSTON. Not enough people and we need to help them give more publicity to it.

Mr. FOGARTY. Cannot the Department of Agriculture do that?

Dr. WINSTON. Yes, they can; but I think it is also very important through the Welfare Administration we help give some publicity to it, too.

Mr. FOGARTY. I am afraid that word "welfare" is going to scare a lot of people away. That is why I feel sorry for Dr. Kent.

Dr. WINSTON. We are going to get a reinterpretation of it, sir.

Mr. FOGARTY. I feel sorry for Dr. Kent being taken out of the Secretary's Office and being put under the so-called Welfare Administration. It does not sound good to me.

If you ask the people over the age of 65 what they thought about it, they would not like it, I am sure.

You are stuck with it. I do not know what you can do about it now.

Dr. WINSTON. We have strong projects going in the area of housing both construction and services to people who live in public housing. In the Department of Agriculture they are giving special attention to the needs of older people in rural areas and are putting a full-time person on their staff just to work in that area.

I have already mentioned the special work in the nursing home field. We are also working in the area of protective services. With over 10,000 people over 100 years of age the need can easily be seen. The problem of how you protect older people is becoming increasingly a problem for us. We are working on expansion of homemaker service for older people, so they can remain in their own homes. We have asked the Bureau of Labor Statistics to do new budgets for us—I referred to that earlier—so we would have better measurements of need. There are a lot of irons in the fire and, as you know and I know, they need a lot of close tending so that we will get results from them.

Mr. FOGARTY. What do you think you will be able to report next year?

Dr. WINSTON. With regard to aging?

Mr. FOGARTY. Yes.

Dr. WINSTON. Well, I think that if effort will bring results in this field, we will be able to give you a number of concrete results.

Mr. FOGARTY. That is not the question I asked you.

Mr. KELLY. With your help, perhaps we can tell you what problems we have encountered in putting the health insurance for the aged on the program.

Mr. FOGARTY. Well, when I see it in that message on aging—I understand that, but I wonder how many people have taken the time to read it?

Dr. WINSTON. That is always a real problem.

Mr. FOGARTY. You can't blame people too much when you look at the length of it.

EFFECTS OF DEPARTMENTAL REORGANIZATION

Now, I have many publications—and, Mr. Kent, you helped write this one—the January issue of HEW had a signed article by you and your friend Wilbur Cohen, entitled "New Horizons for the Aged." You said:

A major role in the field of aging has been assigned to the Department of Health, Education, and Welfare. To expand and coordinate the Department's work, Secretary Celebrezze, effective January 28, 1963, has established a Welfare Administration under the direction of Dr. Ellen Winston within the Department. The shift of the Special Staff on Aging, headed by a Special Assistant to the Secretary for Aging, to become the new Office of Aging within the Welfare Administration will improve coordination and aid in the expansion of services to the aged. The major components of the Department concerned with the problems of senior citizens, and the new Office of Aging that will serve as the focal point of that concern, are indicated on the chart that follows.

There is a chart under the heading "Welfare Administration."

Do you honestly think that this shift will improve coordination and aid in the expansion of services to the aging?

Dr. KENT. Yes, sir. I believe the reorganization will improve the coordination, will improve our services.

Mr. FOGARTY. Things must have been pretty rough, then, in the last 2 or 3 years.

Dr. KENT. I do not know that that altogether follows, Mr. Chairman. I would not say the things have been perfect; they never are. I am not saying that they could not have been improved. I think this is a way in which we have improved them.

Mr. FOGARTY. You would not have advocated something like this if it was up to you, would you?

Dr. KENT. I was not consulted on it.

Mr. FOGARTY. That is my understanding.

Dr. KENT. But I do feel, as I —

Mr. FOGARTY. If you were consulted, do you think you would advocate something like this, being put under the Welfare Administration?

Dr. KENT. Would you advocate —

Mr. FOGARTY. I would not advocate it, no; if that is the question you are going to ask me.

Dr. KENT. No, I was not going to ask you a question.

Mr. FOGARTY. You know what I am advocating, and no one is going to get me off of it, either.

Dr. KENT. Yes, sir. I am well aware of what you are advocating.

Mr. FOGARTY. We have a lot of support for it. I just happen to think I am right; you do not. I do not find any fault with you for not agreeing with me on something like that.

Dr. KENT. Mr. Chairman, what I was going to say, when you said would I have advocated it, is that if I had been in the Secretary's position, had as many people reporting to me as he had, if I had access to the studies he had, perhaps I would have come to the same conclusion he did.

Mr. FOGARTY. I thought you would have studied much more than he has ever been able to study, the problems of the aging.

Dr. KENT. I was not referring to studies on aging, Mr. Chairman; I was referring to studies on administration, organization. It is my understanding that the plan that we are now following is one that evolved after careful study of the Social Security Administration, and groups reporting to the Secretary. It was to this I was referring.

Mr. FOGARTY. You do not honestly think Mr. Ball is very happy being demoted down to the position he holds; do you?

Mr. KELLY. Since he is not here, I would like to speak for him.

Mr. WYNKOOP. He is delighted, Mr. Chairman; Mr. Ball supported this strongly.

Mr. FOGARTY. Well, most people would say that if it was suggested by the Secretary. We can disagree on this side of the table, but you people are in a bad position to do it on that side.

PROGRAM ACCOMPLISHMENTS

Mr. Kent, I will ask you one more question: What practical action has been accomplished in the last year? Not just the meetings and conferences and seminars you spoke about.

Dr. KENT. Well, Mr. Chairman, you have to understand that we are an office whose task it is to stimulate activity and to produce information. We do not have a grant program. We are not able to go out and build houses. We are not able to go out and sponsor research through grants.

The whole function of our agency is to give leadership through consultation, conferences, information. And, of necessity, the kinds of things I have to report are of this nature.

Now, as we looked over the situation, we felt there was a great need for trained personnel, and this derived partly from a study that we made in the southeastern part of the country. Our study would indicate, in the next 5 years, in the southeast alone, there is need for 2,300 trained people. As a consequence of this, Mr. Chairman, we have done several things. In the Rocky Mountain area, we held a series of 1-day seminars. We went to 13 different universities in the Rocky Mountain area. We brought in a team of experts. We tried to show what a university could do to channel its resources to help older people. This was one thing we did in the Rocky Mountain area.

We have some evidence to indicate that, as a result of this, there is going to be increased activity there.

We have worked with the new school for social research in setting up their program, the institute for retired professionals, bringing older people back into the classroom. We have done the same kind of thing that I described in the Rocky Mountain area in region IV, by bringing universities together for a 2-day seminar.

ADVISORY COUNSELS

Now this is one instance. I could go on. For example, I mentioned in my opening statement that our regional representatives have given over 1,500 personal consultations and people from the Washington office over 800. I cited the growth in permanent commissions and growth in community councils on aging, and over 300 community councils on aging have been developed in the past year. We now have over 839. I do not think this is altogether an accident that this occurred at the time the special staff and the Office of Aging was expanded.

Mr. FOGARTY. But there are many of these councils that have been established that are not doing anything; they are established but do not meet.

Dr. KENT. This is true, and I do not mean to give the impression we were involved in creating all 839 of them. But I do think we have played some part in this.

Mr. FOGARTY. What is the status of the panel of consultants on aging appointed by Secretary Ribicoff?

Dr. KENT. We met last August. They came up with a series of recommendations, many of which we did implement; others we are currently working on. Since then we have drawn them in not as a total panel but as individuals and as in small groups; for example, in the development of the President's message, several were consulted.

Mr. FOGARTY. What kind of people were they and what type of organization did they represent?

Dr. KENT. Well, let me give you a specific example, Mr. Chairman. At the time the administration was considering the National Service Corps, the Domestic Peace Corps, they asked us for suggestions regarding contributions older people could make.

At that time I brought in representatives from labor, from the American Association of Retired People, National Council on Aging, from the Association of Homes for the Aged, the university leaders, and leaders of State commissions.

Mr. FOGARTY. Put in the record the names of these people, whom they represent, and when they met with you here in Washington.

Dr. KENT. Yes, sir; I will.

(The information follows:)

PERSONS ATTENDING BY INVITATION A MEETING ON "THE NATIONAL SERVICE CORPS
AND THE SENIOR CITIZEN"

December 17, 1962, Washington, D.C.

The Secretary of Health, Education, and Welfare: Member of the task force and Chairman of the President's Council on Aging.

Donald P. Kent, Ph. D.: Acting chairman of the task force on the proposal.

Ernest J. Bohn: Director, Cleveland Metropolitan Housing Authority, and member, Housing and Home Finance Agency's Advisory Committee on Housing for the Elderly.

Leonard Breen, Ph. D.: professor, Department of Sociology, Purdue University, and consultant to President's Council on Aging.

Wilma H. Donahue, Ph. D.: Chairman, division of gerontology, the University of Michigan.

William C. Fitch: Executive director, the American Association of Retired Persons and National Retired Teacher's Association.

Francis Looney: Executive secretary, Massachusetts Council for the Aging.

Garson Meyer : President, National Council on Aging.

Mother M. Bernadette de Lourdes : Director, St. Joseph's Manor, and vice president, American Association of Homes for the Aged (invited, but unable to attend).

James Cuff O'Brien : National Council of Senior Citizens, and executive director, Older and Retired Workers, United Steel Workers of America.

Edna Bonn Russell (Mrs. A. M. G.) : Chairman, California Governor's Committee on Aging.

Margaret Schweinhaut (Mrs. Henry Albert) : State senator and chairman, Maryland Coordinating Commission on Problems of the Aging.

Richard Boone : Program development, section, interim planning committee.

Philip Des Marais : Deputy Assistant Secretary for Legislation, Department of Health, Education, and Welfare.

Don Ellinger : Liaison and general support section, interim planning committee.

David Hackett : Staff director, interim planning committee.

Warren T. Roudebush : Staff officer, President's Council on Aging.

Dr. Leonard Duhl : President's Study Group for National Voluntary Services.

Robert Choate : President's Study Group for National Voluntary Services.

Harry Kranz : President's Study Group for National Voluntary Services.

DISTRICT OF COLUMBIA REJECTION OF COUNCIL ON AGING

Mr. FOGARTY. What kind of cooperation are you getting from the District of Columbia? Would it be better off the record?

Dr. KENT. Whichever you prefer, Mr. Chairman.

Mr. FOGARTY. We will put it on the record then. I have never been too happy with the cooperation of the District. They know my position.

Dr. KENT. The District of Columbia does not have a coordinating council on aging.

Mr. FOGARTY. I understand that Mr. Tobriner turned it down.

Dr. KENT. Two Commissioners voted against it. Commissioner Tobriner and Commissioner Clark I believe both voted against it. A committee was appointed, made a very careful study, and made a report urging that a commission be established. On the committee that made this report there was one representative from the Office of the Aging, the regional representative in region III.

After this report went in and was rejected, we in the office were concerned, and it was partly at our suggestion that in the Presidential special message on aging there is this specific reference that every State should have a coordinating agency on aging, every community of more than 25,000 should have a council on aging, and that the District of Columbia should in this regard as in others serve as a model.

Following this, I wrote to Commissioner Tobriner pointing out that the President had urged the District of Columbia to be a model, pointing out that he thought there should be these commissions, and offered to the Commissioner the services of the Office of Aging as a consultant.

I received a reply yesterday asking me if I would meet with some of his people and comment on the specific proposal of this committee to which I referred earlier.

Mr. FOGARTY. Yes. I heard about the President's suggestion. I thought sure Mr. Tobriner and Mr. Clark would pay some attention to the President.

Dr. KENT. Let me say, Mr. Chairman, this is how the Office of Aging works. In all of this, we kept in touch with the chairman of

the committee having been appointed in the District to make the report; they were advised of what we were doing.

Mr. FOGARTY. I understand. I understand you cooperated to the fullest extent and did all you could. I am not finding any fault with you. I am finding fault with the two Commissioners who voted against this plan.

Dr. KENT. I am hopeful now that the President has spoken, it perhaps will be changed.

Mr. FOGARTY. All right, I do not have any more questions.

Mr. Kelly, do you have any new justifications to present to this committee before we get through with the Welfare Administration?

Mr. KELLY. No, sir.

Mr. FOGARTY. Thank you very much, Doctor.

Dr. WINSTON. Thank you, Mr. Chairman.

ST. ELIZABETHS HOSPITAL

WEDNESDAY, MARCH 20, 1963.

WITNESSES

DR. DALE C. CAMERON, SUPERINTENDENT

DR. DAVID W. HARRIS, FIRST ASSISTANT PHYSICIAN

M. K. MADDEN, EXECUTIVE OFFICER

LYLE C. VanMERE, CONSTRUCTION AND MAINTENANCE ENGINEER

F. M. HALL, BUDGET OFFICER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	15,825	17,739	19,265
Positions other than permanent.....	66	83	84
Trainees (interns and residents).....	355	500	500
Other personnel compensation.....	756	860	933
Total personnel compensation.....	17,002	19,182	20,782
12 Personnel benefits.....	1,217	1,371	1,480
21 Travel and transportation of persons.....	24	26	33
22 Transportation of things.....	15	15	15
23 Rent, communications, and utilities.....	210	211	236
24 Printing and reproduction.....	27	27	27
25 Other services.....	207	261	280
26 Supplies and materials.....	3,631	4,103	4,124
31 Equipment.....	168	450	465
42 Insurance claims and indemnities.....	1	1	1
Subtotal.....	22,502	25,647	27,443
Deduct charges for quarters, subsistence, and laundry.....	20	30	30
Total obligations.....	22,482	25,617	27,413

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	3,619	3,907	3,957
Full time equivalent of other positions.....	128	165	165
Average number of all employees.....	3,408	3,695	3,916
Number of employees at end of year.....	3,705	4,067	4,117
Average GS grade.....	4.9	5.2	5.2
Average GS salary.....	\$5,144	\$5,462	\$5,502
Average salary of ungraded positions.....	\$4,195	\$4,321	\$4,321

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs:			
1. Operation and maintenance.....	21,923	24,519	26,079
2. Training and education.....	499	713	804
3. Research.....	102	203	328
Total operating costs.....	22,524	25,435	27,211
Unfunded adjustment to total operating costs:			
Property or services transferred in without charge (-).....	-334	-153	-153
Total operating costs, funded.....	22,190	25,282	27,058
Capital outlay:			
1. Operation and maintenance.....	227	355	383
2. Training and education.....	1	3	2
3. Research.....	6	22	15
Total capital outlay.....	234	380	400
Unfunded adjustments to capital outlay:			
Capital assets transferred in without charge (-).....	-60		
Total capital outlay, funded.....	174	380	400
Total program costs, funded.....	22,364	25,662	27,458
Change in selected resources ¹	118	-45	-45
Total obligations.....	22,482	25,617	27,413
Financing:			
Advances and reimbursements from (-)—			
Other accounts.....	-1,544	-1,688	-1,717
Non-Federal sources ²	-15,849	-17,666	-15,980
Unobligated balance lapsing.....	15	69	
New obligational authority (appropriation).....	5,105	6,332	9,716

¹ Selected resources as of June 30 are as follows:

	1961	1962 adjust- ments	1962	1963	1964
Stores.....	474		643	598	553
Unpaid undelivered orders.....	188	-2	135	135	135
Total selected resources.....	662	-2	778	733	688

² Reimbursements from non-Federal sources represent collections from District of Columbia patients (32 D.C. Code 401-416).

BUILDINGS AND FACILITIES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
ST. ELIZABETHS HOSPITAL			
25 Other services.....	155	203	157
31 Equipment.....	28		
Total, St. Elizabeths Hospital.....	183	203	157
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....		1	2
24 Printing and reproduction.....	4	22	10
25 Other services.....	297	320	214
31 Equipment.....	3	412	
32 Lands and structures.....	790	6,730	620
Total, General Services Administration.....	1,094	7,485	846
Total obligations.....	1,277	7,688	1,003

Program and financing
[In thousands of dollars]

	Costs to this appropriation					Analysis of 1964 financing			Appropriation required to complete
	Total estimate	To June 30, 1961	1962 actual	1963 estimate	1964 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required, 1964	
Program by activities:									
1. Construction and equipment, continued treatment building (rehabilitation center).....	7,130	19	46	310	3,030				
2. Miscellaneous improvements of existing facilities.....	6,355	3,690	151	985	1,361	6,755	3,725	627	
3. Construction and equipment, treatment and cafeteria building.....	4,622	458	2,637	1,233		902	168		
4. Extension and modernization of administration building.....	7,766	7,758	10	330		294	294		
5. Construction and equipment, maximum security building.....			1	7					
Total program costs, funded.....	26,374	11,935	2,966	2,865	4,391	7,951	4,187	627	
Change in selected resources ¹			-1,719	4,823	-3,388				
Total obligations.....			1,277	7,688	1,003				
Financing:									
Unobligated balance brought forward (-).....									
Unobligated balance transferred (1962 Appropriation Act) from (-).....			-1,350	-1,330	-1,737				
“Construction and equipment, treatment and cafeteria building”.....			-525						
“Extension and modernization of administration building”.....			-84						
Recovery of prior year obligations (-).....			-3						
Unobligated balance carried forward.....			1,330	1,737	1,361				
New obligational authority.....			645	8,095	627				
New obligational authority:									
Appropriation.....			575	8,095	627				
Reappropriation.....			70						

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$3,113,000 (1962 adjustments, -\$3,000); 1962, \$1,391,000; 1963, \$6,214,000; 1964, \$2,826,000.

INTRODUCTION OF STAFF

Mr. FOGARTY. The committee will come to order. We have before us this morning the request for the St. Elizabeths Hospital.

Dr. CAMERON, you are the new Superintendent?

Dr. CAMERON. Yes, sir.

Mr. FOGARTY. We are very glad to have you here.

We are pleased that you were named Superintendent when Dr. Overholser retired. You have a big job to do now to fill his shoes. Go right ahead.

Dr. CAMERON. Before making a statement, I want to be sure you and the other committee members are acquainted with the staff people.

We have with us on the far left, Dr. Harris, the first assistant physician; Mr. VanMere, construction and maintenance engineer; Mr. Madden, executive officer; and Mr. Hall, budget officer.

I would like to say also that I am very honored and pleased to be the Superintendent and realize I have a large job filling the shoes of Dr. Overholser.

Mr. FOGARTY. We will try to help you. We gave Dr. Overholser just about all the support that he requested. He had more trouble with the Bureau of the Budget than he ever had with this committee. Go right ahead.

GENERAL STATEMENT

Dr. CAMERON. Mr. Chairman and members of the committee, I welcome the opportunity to meet with you to explain the program objectives and appropriation requests of St. Elizabeths Hospital for fiscal year 1964.

I have prepared opening statements covering in some detail the budget items of the hospital for the coming fiscal year. With your permission, I should like to insert these statements in the record in full and summarize them briefly at this time.

(The statement follows:)

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, I should like, for the benefit of the committee, to preface my statement on the 1964 appropriation requests of St. Elizabeths Hospital with a few facts on the history and functions of the hospital.

HISTORY AND FUNCTIONS

St. Elizabeths Hospital was established by the act of March 3, 1855 as the Government Hospital for the Insane. It became St. Elizabeths Hospital by the act of July 1, 1916. The hospital provides care and treatment for several classes of mentally ill persons, including residents of the District of Columbia, beneficiaries of the Veterans' Administration, beneficiaries of the Public Health Service, mentally ill persons charged with or convicted of crimes in the U.S. courts, including courts of the District of Columbia, those found "not guilty by reason of insanity" in the same courts, certain American citizens and nationals found mentally ill in foreign countries, the Canal Zone and the Virgin Islands, and members of the military services admitted to the hospital prior to July 16, 1946.

POLICIES AND PROGRAMS

The statutory responsibility of St. Elizabeths Hospital is to furnish "the most humane care and enlightened curative treatment" to the mentally ill. Present policies and programs are directed toward the accomplishment of this primary function—the treatment of patients, and include (a) the most effective modern treatment methods attainable with available resources, (b) the instruction and

training of physicians and members of related professions and services, and (c) carrying out and cooperating with others in scientific research into the nature, causes, prevention, and treatment of mental illnesses.

PRESENT METHOD OF FINANCING

Funds for the operation of the hospital are currently obtained through annual direct appropriations covering most of the Federal beneficiaries and reimbursements for care rendered other patient groups, principally residents of the District of Columbia. Appropriations and reimbursements are presently based on per patient day costs determined by dividing total proposed program costs by the estimated number of patients to be cared for. Under this system, the sufficiency of operating funds for the hospital depends in large measure upon the accuracy of patient load forecasts, the ability to pay of those agencies reimbursing the hospital for patient treatment, and the ability to adjust per diem rates during the year. Even relatively minor deviations from anticipated patient loads without prompt changes in reimbursement rates result in substantial loss of income and as a consequence the hospital has constantly to adjust its operations during the year. The current dependency upon the accuracy of patient load estimates as a basis for determining revenues results in frequent revisions in patient care and financial management programs with adverse effect upon the efficiency of both.

PROPOSED CHANGES IN METHOD OF FINANCING

To correct this situation, the 1964 budget of St. Elizabeths Hospital proposes two major changes in the method of financing its operations. First, the hospital proposes a change from a definite to an indefinite Federal appropriation, under which the hospital would receive in appropriated funds the difference between the amount of reimbursements actually received during the fiscal year on account of patient care provided by the hospital during the year and the total program costs approved by the Congress for the year. This change will (1) insure the availability of funds required by the hospital to carry on programs and activities at levels approved for the year, (2) stabilize hospital finances, and (3) improve programing and financial management by eliminating fiscal uncertainties and permitting more effective utilization of funds through more efficient planning.

A second major change in financing proposed for 1964 places the charges for care of District of Columbia beneficiaries on a basis comparable with State mental hospital costs by basing such charges on the estimated 1964 median cost per patient day of the upper 10 percent of States. This change will (1) place costs to the District for the hospital portion of its mental health program at a dollar level which it could reasonably be expected to support and one consistent with the standards which have generally been adopted by the District in support of its public institutions, (2) provide financial incentives for outplacement in lower cost facilities of District of Columbia patients who no longer need treatment in a mental hospital, and (3) provide for the continuation of financing by this appropriation of costs for training and research which are less directly related to patient care.

This action will stabilize the District's share of the hospital's cost of operation and will permit more orderly budgetary procedures. The charge to the District will be established annually on the basis of the most recent data on per diem costs in State mental institutions as reported by the National Institute of Mental Health. The rate thus established will remain constant for the year despite fluctuations in the patient load. A change in load would no longer require an adjustment in the per diem rate for the District government. Thus, a very real financial incentive will be created for the District of Columbia not only to locate lower cost community facilities such as foster homes but also to have transferred to such facilities those District patients at St. Elizabeths who no longer require mental hospital care.

PATIENT LOAD

Requirements for patient care and treatment in 1964 are based on an anticipated average "in-the-house" patient load of 6,496, a decrease of 164 below the level projected for the current fiscal year. The estimated decrease in patient population, principally in District of Columbia categories, reflects the probable

effect of improved treatment techniques and efforts to transfer to other facilities, a number of patients who no longer require treatment in a mental hospital. The effectiveness of the intensified treatment programs of the hospital, improved by budget increases authorized in the past several years, is attested to by records which show that the hospital has been able to effect substantial reductions in its average "in-the-house" patient load despite the fact that admissions have been running at all-time highs. In fiscal year 1962, the average number of patients carried on the rolls was the highest in the history of St. Elizabeths Hospital. Similarly, the admission and discharge rates for the year established new peaks and exceeded by substantial margins the record numbers in fiscal year 1961. The hospital is thus providing treatment for a greater number of individuals despite the lower "in-the-house" load.

SUMMARY OF FISCAL YEAR 1964 BUDGET INCREASES

St. Elizabeths Hospital is requesting a total budget authorization of \$27,413,000 for fiscal year 1964. This is an increase of \$1,796,000 over estimated funds available for the current fiscal year. Eighty-five percent (\$1,529,500) of the additional funds is required by the hospital to meet mandatory operating cost increases. The balance of the increase (15 percent or \$266,500) is requested for program improvements estimated at \$392,200, which are offset partially, however, by decreases totaling \$125,700.

MANDATORY INCREASES

Mandatory increases for the following items are provided in the 1964 budget estimates to permit the hospital to carry out presently authorized programs and approved levels of operation:

1. Annualization of the cost of 294 new positions authorized for part of fiscal year 1963-----	\$803, 000
2. Payments in excess of the 52-week base (366th day) in fiscal year 1964, a leap year-----	46, 500
3. Reduction in lapses on currently authorized staff-----	150, 000
4. Annualization of general schedule pay increases authorized by Federal Employees Salary Act of 1962 (Public Law 87-793)-----	505, 000
5. Increased electricity requirements-----	25, 000
Total, mandatory increases-----	1, 529, 500

PROGRAM INCREASES

The principal program increase proposed under the 1964 budget is a request for 50 new positions for expansion and strengthening of the hospital's training and research activities, and for staff improvements in certain other hospital areas that support or contribute directly to effective execution of training and research programs. The fiscal year 1964 cost of the proposed new staff is estimated at \$319,000.

St. Elizabeths Hospital, with an abundance of clinical material offered by its large and varied psychiatric patient population, has the framework and capacity for excellently integrated and coordinated training and research activities. In recognition of this and the increasing emphasis on training and research, the hospital proposes to intensify its efforts in these areas as one means of contributing to the Nation's resources of trained personnel and better understanding of mental disorders. The hospital believes this action to be in accord with the goals of the Government and the President, who has cited the need for more vigorous support of research and training of personnel in the mental health field.

In addition to staff improvements in training and research areas, the hospital's 1964 budget provides additional funds (a total of \$22,800 for contractual services and travel) for expansion of its employee development program, conducted under the authority and provisions of the Government Employees Training Act, Public Law 85-507. The hospital at present has a very modest inservice training program (total annual costs estimated at \$16,000) under which is provided training opportunities for a very limited number of employees. St. Elizabeths believes that the development of its employees through the improvement of their skills is one of the most important investments it can make in good management.

It proposes therefore to increase employee participation and expand the scope of the in-service training program as one more means of increasing efficiency and improving hospital operations.

Relatively minor increases in supply, equipment and travel funds are also provided to enable the hospital to meet current requirements in these areas.

DECREASES

Increases proposed for 1964 are offset partially by decreases resulting from small nonrecurring costs in training and research activities and the effect of wage board hourly rate increases granted employees in December 1963. The current year cost of the latter is included in the 1963 column of the 1964 budget document, but is not provided for in the 1964 requests. A supplemental to cover the 1964 cost of these wages increases will be proposed for later transmission.

CONCLUSION

In summary, the 1964 budget proposals of St. Elizabeths Hospital will (1) stabilize hospital financing and permit more effective management, (2) enable the hospital to meet mandatory operating cost increases, (3) permit the hospital to contribute more effectively to the achievement of national goals in mental health research and training, and (4) provide improvement in the quality of patient care—the latter to be achieved through an improved patient-to-employee ratio resulting from increased average employment and a declining average “in the house” patient load.

Approval of the 1964 budget proposals will permit the hospital to move forward with its programs.

BUILDINGS AND FACILITIES

Mr. Chairman and members of the committee, the buildings and facilities appropriation account covers all construction and facility improvement items of St. Elizabeths Hospital. Funds requested for the account in fiscal year 1964 will provide for the undertaking of nine projects involving improvements to existing facilities of the hospital.

FACILITY IMPROVEMENT PROJECTS

The request totals \$627,000 and covers the following items, all of which are part of a continuous program of repair, restoration, and improvement of hospital property:

1. *Rewiring and extension of electrical facilities.*—Continuation of a current program to correct electrical deficiencies in the older facilities of the hospital and provide the modern day lighting and electrical services required for effective execution of the hospital programs and activities.

2. *Alterations of X-ray facilities.*—Alterations required to permit the hospital's X-ray unit to keep abreast of a sharply increased workload, speed up the film processing operation, increase the variety of radiographic services, and obtain more effective utilization of existing space.

3. *Establishment of a central sterile supply.*—Establishment of an improved, larger, and more conveniently located central sterile supply facility to meet increased workload demands, eliminate potentially dangerous contamination problems and provide better service for all medical and nursing areas of the hospital.

4. *Replacement of steam service lines.*—Replacement of badly deteriorated steam and condensation return lines from the hospital powerplant servicing the laundry-warehouse building. Early replacement is necessary to assure continuity of service in this vital area.

5. *Insect screens in patient buildings.*—Initiation of a continuing program of replacement of deteriorated wooden frame screening in patient care areas with new heavy duty all-metal screens which would be operable and removable from the inside to provide accessibility and reduce maintenance costs.

6. *Alterations to TB building.*—Alterations and improvements required for conversion of a portion of the present tuberculosis building to laboratories and offices for the hospital's research branch.

7. *Replacement of sanitary sewer under laundry road.*—Replacement and relocation of an aged and deteriorated main trunk line sanitary sewer presently located under the main access road to the hospital's laundry and warehouse

facilities. The weight and vibration of the heavy truck traffic in this area have caused several serious breaks and could possibly cave in the present obsolete structure. Early replacement is needed.

8. *Modernization of dishwashing installations.*—Continuation of the hospital's current program of expansion and modernization of dishwashing installations to provide adequate facilities for proper execution of this function and to meet present day safety and sanitation standards.

9. *Addition to the powerplant.*—Construction of a small one-story addition to the hospital's powerplant to provide adequate locker room, shower, and toilet facilities for approximately 50 employees working at this location.

FINANCING

A proportionate share of the cost of the proposed 1964 projects will be borne by the District of Columbia. The District's share, estimated at \$442,000, will be collected over a period not exceeding 40 years following completion of the projects and will be deposited in the Treasury to the credit of miscellaneous receipts in accordance with the provisions of Public Law 472, 83d Congress.

CONCLUSION

Approval of the proposals for fiscal year 1964 will permit the hospital to maintain and utilize its plant and physical facilities in an effective and efficient manner.

Dr. CAMERON. St. Elizabeths Hospital is a Federal institution, charged by statute with the responsibility for furnishing the most humane care and enlightened curative treatment to the mentally ill. The 1964 estimates of the hospital are geared to this objective. Funds for the operation of St. Elizabeths are obtained through a direct appropriation covering most of the Federal beneficiaries and by reimbursements for care and treatment rendered other patient groups, principally residents of the District of Columbia.

CHANGES IN FINANCING

I should like at this point to inform the committee of two major changes in the financing proposed in this budget request. First, there is requested a change from a definite to an indefinite appropriation, under which the hospital would receive in appropriated funds the difference between the amount of reimbursements actually received during the fiscal year on account of patient care provided by the hospital and the total program costs approved by the Congress for the year.

Approval of this type of appropriation will (1) stabilize the hospital finances, (2) insure the availability of funds required to carry out programs at levels authorized by the Congress, (3) eliminate certain fiscal uncertainties attendant to fluctuations in projected patient loads, and (4) result in more effective management.

Second, the hospital's 1964 budget proposes to place charges for care of District of Columbia beneficiaries on a basis comparable with State mental hospital costs by basing such charges on the estimated 1964 median cost per patient-day of the upper 10 percent of the States. The District of Columbia reimbursement rate will be established annually on the basis of the most recent data on per diem costs in State mental institutions as reported by the National Institute of Mental Health. The rate thus established will remain constant for the year and will not be subject to adjustment because of changes in patient load.

This change will (1) place costs to the District for the hospital portion of its mental health program at a dollar level which it could reasonably be expected to support and one consistent with the standards which have generally been adopted by the District in support of its public institutions, (2) provide financial incentives for outplacement in lower cost facilities of District of Columbia patients who no longer need treatment in a mental hospital, and (3) provide for the continuation of financing by this appropriation of costs for training and research which are less directly related to patient care.

Budget estimates of the hospital are set forth under two appropriation headings, "Salaries and expenses" and "Buildings and facilities." The "Salaries and expenses" appropriation provides funds for the general operation and maintenance of the hospital, including research and training activities; the "Buildings and facilities" appropriation covers capital outlay for major alterations and improvement of existing facilities and new construction.

SALARIES AND EXPENSES

The 1964 "Salaries and expenses" budget provides for an increase of \$1,796,000 over funds anticipated in the current fiscal year. Eighty-five percent of the additional funds is required to meet mandatory operating costs increases, principally the annualization of (1) the cost of new positions authorized in 1963 and (2) pay increases authorized by the Federal Employees Salary Act of 1962. The balance of the increase is proposed for expansion and strengthening of the hospital's research and training programs by an increase of 50 new positions in these and essential support areas. We believe this action to be in accord with the goals of the Government and the President, who has cited the need for more vigorous support of research and training of personnel in the mental health field.

BUILDINGS AND FACILITIES

An amount of \$627,000 is requested in 1964 to permit the hospital to carry out nine facility improvement projects, all of which are part of a continuing program of restoration and modernization of existing hospital facilities.

The major item in the 1964 program is a request for \$354,000 for continuation at an accelerated rate of a current program to correct electrical deficiencies in the older facilities of the hospital and provide the modern lighting and electrical services required for effective execution of the hospital's programs and activities. The balance of the request will provide for alterations and improvements in the X-ray and sterile supply areas, replacement of deteriorated steam service lines, and a sanitary sewer in the laundry-warehouse area, conversion of needed space for research activities, installation of insect screens in patient buildings, continuation of a dishwashing installation modernization program, and the construction of a small addition to the hospital's powerplant to provide adequate locker room, shower, and toilet facilities for the staff.

A proportionate share of the cost of projects carried on under the "Buildings and facilities" account will be borne by the District of

Columbia. The District's share of the 1964 cost, estimated at \$442,000, will be collected over a period of years following completion of the projects and will be deposited in the Treasury to the credit of miscellaneous receipts in accordance with the provisions of Public Law 472, 83d Congress.

I have outlined briefly the principal provisions of the hospital's 1964 budget requests. Approval of the proposed budget will resolve some very serious fiscal problems of the hospital and permit it to move forward with its programs.

I am grateful for the opportunity of discussing our needs with the committee, and I shall be happy to answer any questions or furnish such additional information as the committee may desire.

CHANGES IN FINANCING

Mr. FOGARTY. Thank you, Doctor.

I think the most significant change is the bill language that you referred to. I think we should have a rather detailed explanation of that.

Mr. KELLY. Mr. Chairman, as you know, the District of Columbia has been financing about 70 percent of the costs of the hospital.

This has occasioned difficulty because we are responsible for the operation of the hospital and yet they have to put up a large share of the funds.

So that it occurred to us that we ought to try and work out an arrangement whereby the District of Columbia paid a reasonable fee from the revenues of the District of Columbia for the care of District of Columbia patients, rather than just a portion of this hospital's costs, in order that we could develop a budget, and bring it before this committee, which would in effect show what was required to fulfill the Federal role and make this a first-class hospital.

And we developed this concept that the District of Columbia should pay a figure which is the equivalent of what the upper 10 percent of the State institutions are incurring as a cost for their patients, and that this committee should act on the basis of the total budget for the hospital.

You know that in several instances, last year being one of them, your committee has increased the amount of funds for the hospital over and above the budget, authorizing additional employees.

But the appropriations subcommittee that handles the District of Columbia budget took no action with respect to that other than what was submitted.

This raised a question as to what the intent of Congress was. And we wanted to avoid having this problem arise, make it clear what the intent of Congress was by having this committee approve a total budget for St. Elizabeths Hospital.

We also were quite anxious to get for the management of the hospital a much greater stability in the total budget, not having it dependent upon minor fluctuations in the number of patients, and causing delay in employing persons, and not refilling positions, when from their standpoint they were already operating on a short-handed basis.

We think we have come up with a proposal that permits the full-filment of the Federal responsibility and at the same time assures that

the District of Columbia pay for the care of its patients, but without having a voice in management of this hospital inasmuch as they are not responsible for its operations.

Another important feature of this plan is that it will provide a financial incentive for the District of Columbia to get patients out of the hospital who really do not need to be there, and who could be as well cared for in other types of facilities, if they were available.

DISTRICT OF COLUMBIA SHARE UNDER NEW FINANCING PLAN

Mr. FOGARTY. The basis idea makes sense to me, but the Federal appropriation is estimated to go up over 50 percent from \$6,332,000 to \$9,716,000. Whereas the non-Federal part, which is mostly the District of Columbia, is estimated to go down.

What is the explanation of this?

Mr. KELLY. I think this primarily occurs because heretofore the District of Columbia has been paying on a cost per patient day basis, and when you charge them on the basis of what the upper 10 percent of the States incur as a cost of the operation of mental hospitals, you do not arrive at as high a figure as the one that is the cost of the operation of St. Elizabeths Hospital.

I would like to say, however, that the budget plan for St. Elizabeths Hospital does produce an employee-patient ratio, which is in every respect consistent with what the median of the upper 10 percent of the States incur or are projected to incur. The difference in cost, here, is primarily because the salary levels and the cost levels of the District of Columbia are higher than the average found in the upper 10 percent of the States.

Mr. FOGARTY. Why should the District pay less per patient than the Federal Government?

Mr. KELLY. Well, our interest was not to have the District of Columbia payments tied to the St. Elizabeths Hospital cost but tied to some objective standard that would keep them from being involved in the management of the hospital.

Mr. FOGARTY. The average per capita income in the District is higher than in any State in the Nation.

Mr. KELLY. I know that it is among the highest.

Mr. FOGARTY. So it seems to me they ought to be in a position to pay as much as the average taxpayer of the Nation.

But, of course, we have been trying to make St. Elizabeths a first-class hospital and give first-class care and not second-class care as is given in so many mental hospitals.

Mr. KELLY. We would like to make it an example to others.

Mr. FOGARTY. The Federal Government is paying the cost of the research program.

Mr. KELLY. On the research, and the training that does not relate directly to patient care.

Mr. FOGARTY. Over the years we have expressed an interest that you do this research and make the hospital an example for the rest of the country, because some of our State institutions are in real bad shape.

We made an adjustment a year or two ago to relieve the District of bearing their share of certain costs of St. Elizabeths; did we not?

Dr. CAMERON. That is correct.

Mr. KELLY. Yes, sir, with respect to research and training.

FUNDS FOR TREATMENT OF PRISONERS

Mr. FOGARTY. When District of Columbia prisoners are cared for at St. Elizabeths, the Federal Government bears all the cost.

Mr. KELLY. That is correct.

Mr. FOGARTY. Why is that?

Mr. KELLY. It is a historical thing.

All the prisoners at St. Elizabeths Hospital have historically been treated as a Federal responsibility.

We have never distinguished between District of Columbia prisoners and Federal prisoners.

Mr. FOGARTY. Do you have an estimate of what this amounts to in a year?

Mr. KELLY. Yes, sir, we do.

Mr. FOGARTY. Would you put it in the record.

Mr. KELLY. Yes, sir.

(The information follows:)

COST OF CARE OF DISTRICT OF COLUMBIA PRISONER PATIENTS

The estimated cost of care and treatment of District of Columbia prisoner patients for fiscal year 1964, based on the per diem rate proposed for other District patients, is as follows:

Number of patients-----	680
Per diem rate per patient-----	\$9.49
Per annum cost per patient-----	3,473
Total cost-----	2,361,640

DISTRICT'S SHARE UNDER PRESENT LEGISLATION

Mr. FOGARTY. What is the basic legislation for determining the District's rate of reimbursement?

Mr. KELLY. It is set forth in the code.

I do not have it before me.

Mr. FOGARTY. Would you put it in the record.

Mr. KELLY. All right, sir.

(The information follows:)

REIMBURSEMENTS

The per diem reimbursement rate for patient care at St. Elizabeths is set by the Bureau of the Budget in accordance with the provisions of 24 U.S.C. 168a and Public Law 472, 83d Congress.

Title 24, United States Code, section 168a states in part: "Any executive department of the Federal Government (including any agency, independent establishment, or wholly owned instrumentality thereof, and including the District of Columbia) requiring Saint Elizabeths Hospital to care for patients for whom such department is responsible, shall, except to the extent that the expense of such care is authorized to be paid from appropriations to the hospital for the care of patients, pay by check to Saint Elizabeths Hospital, upon the Superintendent's request, either in advance or by way of reimbursement at the end of each calendar month or calendar quarter, such amounts as the Superintendent calculates to be due for such care on the basis of a per diem rate approved by the Bureau of the Budget."

Public Law 472 provides in part: "Provided, That with respect to construction of new facilities hereafter authorized, and expenditures for major repairs of buildings and grounds, the per diem rate calculated for the District of Columbia pursuant to section 2 of the Act of August 4, 1947 (24 U.S.C. 168a), shall in-

clude a proportionate share of repairs and of the annual increment of the depreciated total cost of such construction, such depreciation to be based on the estimated life thereof, not exceeding forty years, beginning with the fiscal year following completion of construction, and such proportionate share shall be deposited in the Treasury to the credit of miscellaneous receipts."

Mr. FOGARTY. Under the proposed budget what would be the District of Columbia rate of reimbursement and what would be the comparable rate of cost for Federal patients covered by this appropriation?

Mr. KELLY. \$9.49 is the District reimbursement, and \$11.22 would be the Federal cost, per patient, exclusive of the research and training aspects which we treat separate.

COSTS ABSORBED IN 1963

Mr. FOGARTY. What costs are you being required to absorb, in 1963?

Dr. CAMERON. We were asked to absorb the costs of the pay increase and in addition, because of problems of reimbursement, we had to put off rather substantially the addition of the new personnel authorized by this committee last year. We shall have them for only a very small portion of the year.

Mr. FOGARTY. What is the total amount that you were forced to absorb.

Mr. HALL. \$530,000 was for the 1963 cost of the general schedule pay increase act, and in addition to that \$114,000 for wage board increases authorized in December of 1962.

Mr. FOGARTY. What is this reserve of \$69,000?

Mr. HALL. The \$69,000 represents the savings in appropriated funds which result primarily from a reduction in the number of Federal patients.

When the appropriation of \$6,332,000 was enacted, it was based on a higher number of Federal patients than we now anticipate.

NEW POSITIONS

Mr. FOGARTY. The increase proposed for 1964 is \$1,796,000 and 50 positions. Will you provide for the record a breakdown of these positions, and tell us why this increase is necessary?

(The requested information follows:)

NEW POSITIONS

Fifty new positions are requested in fiscal year 1964 for expansion and strengthening of the hospital's training and research activities, and for staff improvements in certain other hospital areas that support or contribute directly to effective execution of training and research programs.

St. Elizabeths Hospital, with an abundance of clinical material offered by its large and varied psychiatric patient population, has the framework and capacity for excellently integrated and coordinated training and research activities. In recognition of this and the increasing national emphasis on training and research, the hospital proposes to intensify its efforts in these areas as one means of contributing to the Nation's resources of trained personnel and better understanding of mental disorders.

The development of sound programs of research and training is intimately linked with related clinical care programs. There is a mutual dependency between these programs—each contributing to the effectiveness of the other. The success of clinical care programs, in the long run, depends, to a great extent, upon the vigor and fruitfulness of research and training programs, and only when these latter programs are executed effectively can patient treatment be maintained at adequate levels. Conversely, successful clinical training and research programs are difficult, if not impossible, to achieve without adequate clinical care support.

Recognizing this mutual dependence, the hospital proposes to strengthen its research and training programs by:

1. Augmenting its patient-treatment activity with 26 new positions required for adequate support of research projects and for proper ward-level supervision, direction, and instruction of persons participating in the hospital's multidisciplinary clinical training program.

2. Reinforcing the permanent staff of the training and education activity with 10 new positions to broaden the scope of training activities and improve the levels of instruction and education.

3. Improving the research staff with 14 new positions to (a) increase research capabilities in the fields of genetics and psychiatry, (b) develop and carry out investigations in new areas of research, (c) meet requirements for an automated statistical system and for statistical consultation and collaboration in the analysis of scientific data, (d) provide for the collection of social data and for systematic followup of patients returned to the community, (e) meet needs for additional laboratory and medical technicians, and (f) provide more adequate secretarial support for professional research staff.

Titles, grades, and salary rates for the proposed new staff follow:

	Grade	Number of positions	Annual salary
Operational and maintenance:			
Medical officer (psychiatry).....	GS-14.....	2	\$27,414
Do.....	GS-13.....	1	12,251
Do.....	GS-12.....	1	10,421
Psychologist.....	GS-12.....	1	9,485
Personnel specialist.....	GS-11.....	1	8,050
Social worker.....	GS-11.....	1	8,050
Librarian.....	GS-9.....	1	6,677
Teacher.....	GS-9.....	2	13,354
Nurse.....	GS-9.....	1	6,677
Ward instructor.....	GS-9.....	1	6,677
Social worker.....	GS-9.....	3	20,031
Secretary.....	GS-7.....	1	5,554
Laboratory technician.....	GS-7.....	1	5,554
Nurse.....	GS-7.....	1	5,554
Medical records technician.....	GS-5.....	1	4,576
Secretary.....	GS-5.....	2	9,152
Nursing assistant.....	GS-5.....	1	4,576
Child care worker.....	GS-5.....	2	9,152
Clerk-typist.....	GS-4.....	1	4,118
Nursing assistant.....	GS-4.....	1	4,118
Total, Operation and maintenance.....		26	181,441
Training and education:			
Medical officer (psychiatry).....	GS-15.....	1	15,059
Coordinator of group work.....	GS-15.....	1	15,059
Nurse instructor.....	GS-12.....	1	9,485
Do.....	GS-11.....	1	8,050
Do.....	GS-10.....	2	14,602
Psychiatric social worker.....	GS-10.....	1	7,301
Occupational therapist.....	GS-10.....	1	7,301
Dance therapist.....	GS-9.....	1	6,677
Clerk-typist.....	GS-3.....	1	3,827
Total, Training and education.....		10	87,361
Research:			
Geneticist.....	GS-15.....	1	15,059
Research psychiatrist (medical officer).....	GS-15.....	2	30,118
Analytical statistician.....	GS-11.....	1	8,050
Electronic technician.....	GS-11.....	1	8,050
Programmer.....	GS-11.....	1	8,050
Research social worker.....	GS-11.....	1	8,050
Do.....	GS-10.....	1	7,301
Research technician.....	GS-9.....	1	6,677
Medical isotope technician.....	GS-7.....	1	5,554
Secretary.....	GS-5.....	4	18,304
Total Research.....		14	115,213
Total new positions—all activities.....		50	384,015

Mr. FOGARTY. The details will be in the record, but briefly tell us what these 50 positions are for.

Dr. CAMERON. Yes. The 50 new positions are primarily related to training and research. About one-half of them are in the training and research program directly and the others are in the operating budget to provide improved services basic to the training and research activities.

There are 10 new positions in training and education, 14 in research, and 26 which have to do with improved services supportive of these activities.

RESEARCH PROGRAM

Mr. FOGARTY. What progress are you making with your research program?

Dr. CAMERON. As you know, our research activities are coordinated with those of the National Institute of Mental Health, which are carried out at the hospital.

The research is organized into three major activities; basic laboratory research, clinical research, and behavioral science studies. The basic science work is entirely supported by the National Institute of Mental Health. The clinical research is supported in part by NIMH, and in part by the Hospital, and behavioral science studies are almost exclusively supported out of the budget of the Hospital. Speaking only to the Hospital supported research, there are three general approaches: (1) the development of improved measures of patient change, (2) studies designed to help understand human behavior, and (3) the development of improved diagnostic and treatment methods.

The measurement of change in patients is extremely important in the evaluation of treatment methods and the study of the natural history of an illness. In this area, we have worked out a rating scale, which is sufficiently simple that it can be completed by nurses. This will be quite a help to us and others.

In the past, it has been necessary to either measure change in single patient without much statistical reliability or validity, or in large groups of patients which becomes very difficult because of the volume of work. We have worked out a method during the last year by which we can reliably evaluate change in relatively small groups. This will simplify the study of the effectiveness of therapeutic methods, not only at St. Elizabeths, but in other research centers. Finally, in this area we have developed new electrical tools for recording and measuring changes resulting during human operant conditioning experiments that greatly facilitate the recording and analysis of change data.

In the area of understanding behavior, one of our most significant studies has to do with criminal behavior in mentally ill patients. We are doing a very careful developmental study of these men and a sociological study of the areas from which they came, trying to understand more about such behavior.

In our search for improved diagnostic criteria and cues for treatment, the human operant conditioning work seem to be quite promising. We can study and record in an experimental setting the behavior of a person in such a way that it gives an idea as to whether this person uses escape as a fundamental mechanism for dealing with life. Avoidance and other mechanisms can also be studied. Cues for treatment, as well as diagnostic information are thus obtained.

In view of the fact this program has been going on for only 2 or 3 years, we have made rather substantial progress and there have been quite a number of publications coming out of the work. As a matter of fact, in the last year we have published 14 articles in the scientific journals from this particular segment of our research program.

Mr. FOGARTY. Are you satisfied with the progress you are making?

Dr. CAMERON. Well, we are satisfied within limits, Mr. Chairman.

Mr. FOGARTY. I was going to say, in the field of research, I have never heard anybody who was satisfied.

Dr. CAMERON. I would put it this way. We are pleased with the progress we have made, but we are far from satisfied that we are doing as complete a job as we could and should, taking account of the very substantial clinical material available at the hospital.

SPECIAL TREATMENT FACILITIES FOR DEAF PATIENTS

Mr. FOGARTY. A year ago I met with some of your people and they told me at that time they were experiencing increased difficulty in getting service from Gallaudet College, on the hard of hearing patients.

Dr. CAMERON. Yes.

Mr. FOGARTY. And told me of the expense of transportation, and the attendant in many cases that would have to go along with the patient to Gallaudet. Also, Gallaudet is growing and they have just about all they can do to take care of their own people in their facilities.

It was suggested at the time that if they could get some equipment—the equipment would amount to somewhere around \$30,000—this would allow them to work with these patients right in your own facility, and over a period of years this would pay for the cost of this equipment.

I have also talked with Dr. Elstad, at Gallaudet, and he tells me that he just does not have the personnel to meet your requirements.

Now, is there any way that you could handle this in your present budget?

Dr. CAMERON. Yes, I would like to comment on it in this way—

Mr. FOGARTY. In the first place, do you think it is a good idea?

Dr. CAMERON. It is a good idea, Mr. Chairman.

It involves, however, a smaller number of patients than certain other kinds of treatment programs and equipment needs.

Therefore, while very important for the patients involved, it might not be as high on the priority list as certain other kinds of equipment involving more patients.

But it is a very real need for those deaf patients who are there.

Mr. FOGARTY. I am thinking of the research value of it too.

Dr. CAMERON. Yes, of course.

It is a very real service need for the patients who are deaf and the associated research could be substantial. We have been put on notice by Gallaudet that they cannot continue to provide this service for us and unless we provide it for ourselves, we simply will not have it.

The cost of the equipment involved is at the minimum around \$30,000 and at the desirable level approximately \$50,000. We are looking into the possibility of financing this out of construction funds in the building into which the new setup would be placed.

Mr. FOGARTY. You can find space then?

Dr. CAMERON. Yes, we think we can find space in the new building. And we believe there may be sufficient funds in the building funds of that building to purchase this equipment, but if so it would have to be released by the Bureau of the Budget for this particular purpose.

Mr. FOGARTY. Well, who would make that request, you or Mr. Kelly?

Mr. KELLY. It would come from the hospital.

Dr. CAMERON. It would come from the hospital. We would make the request of the Department which, in turn, would pass it on to the Bureau of the Budget.

Mr. FOGARTY. We certainly should not deny these hard-of-hearing people, who are out there, these services.

Dr. CAMERON. You may wonder why we have not already included it in the equipment requests for that building.

The reason is——

Mr. FOGARTY. I think last year if I had known about this before the committee had written its report we would have put it in the report.

Dr. CAMERON. The point I was going to make is that the equipment funds for that building must buy all the necessary beds, et cetera, and these are musts. And whether we have the funds after that kind of equipment is purchased for the very essential function of hearing studies remains to be seen.

We think it is there, but we are not positive.

Mr. FOGARTY. Well, I hope you will at least get started on it in the next fiscal year.

And I would think the Bureau of the Budget would go along with you. Over a period of years, the costs of transportation, and taking into consideration the time the attendant is away from St. Elizabeths, would pay for this small amount it would cost you to set up this unit.

Dr. CAMERON. I am very pleased with your interest in it.

We feel we should procure the equipment out of funds already potentially available to us. If they are not sufficient so to do, we may need to come back for some sort of increase in equipment money for this purpose.

Mr. FOGARTY. Well, I would hate to have it depend on a supplemental appropriation.

Dr. CAMERON. We will certainly try to do it.

BUILDINGS AND FACILITIES

Mr. FOGARTY. For buildings and facilities the request is for \$627,000.

Dr. CAMERON. Yes, sir.

Mr. FOGARTY. The only item of consequence is \$354,000 for rewiring and extension of electrical facilities. Why is this necessary?

You mentioned it briefly in your prepared statement.

Dr. CAMERON. Yes. The wiring in the hospital was put in many, many years ago. It is quite obsolete, in some instances hazardous, and it is not possible to convey through the existing wiring sufficient current adequately to light patient and treatment areas, and to run the increasing amount of electrical equipment that is needed in connection with a modern hospital. Hence, we simply must go forward with this rewiring in order to provide modern services.

Mr. FOGARTY. Now, the other eight items average less than \$35,000 apiece.

Are they considered to be construction items?

Dr. CAMERON. Yes. They are fairly major items. Perhaps Mr. Hall or Mr. VanMere would want to speak to those.

Mr. Hall, would you do that.

Mr. HALL. Yes. They are what we call facility improvement items but they are financed under our buildings and facilities appropriation account. They are reasonably small but they are all——

Mr. FOGARTY. Give us two or three examples.

Mr. HALL. Well, one of the projects covers alterations to the X-ray facilities of the hospital which are needed to keep abreast of the sharply increased workload, to provide for speeding up of the film-processing operations, increase the variety of radiogram services, and obtain more effective utilization of space.

We have equipment which is inadequate to our needs and also space problems in this area. This project would provide the additional space and equipment required for improvement in the X-ray unit.

We also have funds in this budget for the establishment of a new central sterile supply area. At the present time the hospital central supply area is located on the fourth floor of medical surgical building, adjacent to the operating suite. We have a contamination problem because of the traffic to and from the central supply, and again the facilities are inadequate to meet the needs of the hospital. Funds are included in this budget to establish another—

Mr. FOGARTY. All right. We will place the justifications in the record.

Is there anything else you would like to say about them?

Mr. MADDEN. I think one factor concerning major facilities improvements should be pointed out; these projects are relatively small in amount because the equipment related to them for instance in the case of X-ray facilities, is included in the salaries and expenses portion of the budget.

Mr. FOGARTY. That is why I thought maybe these items ought to be included in the salaries and expense items.

Dr. CAMERON. These are for actual structural changes in connection with the buildings to develop the areas in which equipment will be placed.

(The justification material referred to above follows:)

BUILDINGS AND FACILITIES: NARRATIVE JUSTIFICATIONS

INTRODUCTION

This appropriation account consolidates all construction and facility improvement items of St. Elizabeths Hospital. The fiscal year 1964 request of \$627,000 will provide for the following miscellaneous improvements of existing facilities:

1. Rewiring and extension of electrical facilities.....	\$354, 000
2. Alterations of X-ray facilities.....	35, 000
3. Establishment of central sterile supply.....	14, 000
4. Replacement of steam service lines.....	42, 000
5. Insect screens in patient buildings.....	50, 000
6. Alterations to TB building.....	35, 000
7. Replacement of sanitary sewer under laundry road.....	54, 000
8. Modernization of dishwashing installations.....	18, 000
9. Addition to powerplant.....	25, 000

Total..... 627, 000

Rewiring and extension of electrical facilities.—St. Elizabeths Hospital for several years has carried on a modest program of rewiring and extension of electrical services in its older facilities—appropriations for this purpose ranging between \$20,000 to \$50,000 annually. The scope of the electrical problems of the hospital is so extensive, however, that continuation of the program at past year levels would extend the project indefinitely, depriving patients of many essential services and hampering hospital operations for many years. The hospital proposes, therefore, to step up the program in 1964 to a level which will permit the completion of the total project within a reasonable period of time.

The hospital's electrical engineer has recently completed a detailed survey of requirements for replacement, extension, and modernization of basic electrical facilities in the hospital's older buildings, most of which were constructed between the years 1893 and 1902, a period when the use of electricity was confined primarily to lighting, and even this on a very modest or primitive scale. Data developed in this survey has been reviewed and studied by Public Buildings Service whose staff has estimated the total cost of the required work at \$2,970,000, a minor portion of which will be completed in the current fiscal year with the \$50,000 provided in the fiscal year 1963 appropriation. It is the professional opinion of hospital and Public Buildings Service engineers that the remainder of the project (\$2,920,000) could and should be undertaken within a 6-year period if the hospital is to correct recognized deficiencies and provide as quickly as possible the modern day lighting and electrical services required for effective execution of hospital programs and activities. The hospital proposes, therefore, to initiate an accelerated electrical improvement program of 6 years' duration and requests approval of \$354,000 in fiscal year 1964 to cover work scheduled for the first year or initial phase of the total project.

Buildings covered by the project are at present inadequately wired to the extent that minimum acceptable lighting, basic electrical services required for food preparation and serving equipment, and other essential services cannot be provided. The existing lighting in many of the older buildings scheduled for rewiring has been rated as low as 5 foot-candles, a rating less than 20 percent of that required for normal household tasks. Electrical circuits in a number of the buildings are not of sufficient size to carry the required load and have become fire hazards because of age and the tendency to put unreasonable current demands on them. In some buildings, the use of any additional electrical equipment under present conditions is impossible, with the result that essential services to patients have suffered accordingly. Larger primary and secondary electric feeders are needed and in some areas transformers require replacement.

The proposed program provides for the necessary rewiring and reinforcement of circuitry, feeders, panels, and transformers. The present obsolete 115-230 volt, three-wire, single-phase building wiring system will be replaced with a modern 120-208 volt, four-wire, three-phase system—a system which permits the more economical use of 208 voltage electrical equipment. Lighting will be improved to rating levels of 25 foot-candles or more depending upon location and requirements.

Alterations of X-ray facilities.—Funds in the amount of \$35,000 are requested in 1964 for the alteration of X-ray facilities used by the operating room and urodiagnostic area in the hospital's medicine and surgery building.

The annual X-ray film processing workload of the hospital has increased over 84-percent (from 18,301 films in 1956 to 33,752 in 1962) during the past 7 years. As a result of the much increased workload, antiquated equipment, inadequate space, and ineffective layout, the efficiency and productivity of the X-ray unit is much lower than that required by modern day medical practices.

The presently available film filing facilities and space have reached the saturation point. During the past 10 years, the number of annual patient visits to the X-ray unit has increased from 6,182 to 15,411. New files and additions to existing ones are accumulating faster than the space and facilities will permit. Several types of radiographic examinations cannot be performed by the present facility because of the lack of a high speed plate changer. This device permits taking of several radiograms per minute in order to trace the progress of radio-opaque substances through the human circulatory system. Fluoroscopic examinations have increased from 400 to 752 annually since 1952. A lack of proper fluoroscopic equipment, as in the case of high speed radiograms, has forced the hospital to refer patients to other local hospitals for such examinations.

Fluoroscopic activities are carried on at present in a single relatively small room which also houses a skull X-ray unit. When privacy is required for the examination of patients of both sexes, or widely contrasting physical or mental conditions, only one examination can be made at a time with the result that existing equipment is not effectively utilized.

The proposed improvements in the X-ray department will speed the film processing operation, increase the variety of radiographic services provided and rearrange existing space to greater advantage. Additional space will be partitioned off for filing in an area adjacent to the present film filing area. Special cabinets will be installed which are equipped for the use of terminal digit numbering system, a method which reduces filing errors and increases the speed of

locating files. One X-ray unit will be equipped with the needed high speed plate changer and will be versatile enough in its uses to eliminate the need for referral of patients to other hospitals, and the attendant need for escort personnel, vehicles, etc. Redistribution and partitioning of space in the fluoroscopy unit will permit all pieces of equipment to be operated simultaneously without invasion of patients' privacy, thus eliminating undue congestion and delay.

In consideration of the urgency of the need for improvement in the X-ray department and the cost of operating the present inadequate system, the hospital believes it necessary and economically feasible to carry out this project in fiscal year 1964. The \$35,000 requested for this project will cover all necessary alterations and modifications, exclusive of new equipment costs which will be met through the hospital's regular equipment acquisition program, provided for under the salaries and expenses appropriation request.

Establishment of central sterile supply.—Funds in the amount of \$14,000 are included in the fiscal year 1964 budget requests for the establishment of a central sterile supply facility for the hospital. At the present time, there is an inadequate supply unit located on the fourth floor of the medicine and surgery building adjacent to the operating room suite. Proximity to the operating room has proven more harmful than beneficial. Traffic to and from the present supply facility has resulted in an unusually high amount of contamination in the general area. The surgical infection rate has risen in proportion to the increase in traffic. The major portion of the demand for sterile supplies comes from other areas of the hospital, and the continuous flow of traffic to and from the fourth floor has badly taxed one of the only two elevators.

The heart of the present sterile supply operation is a steam autoclave purchased secondhand at the close of World War II. It has deteriorated to the point that it is inefficient to use. A normal 15-minute sterilization now requires more than 1½ hours. Requests for sterile supplies have increased to the point that many areas of the hospital must resort to local makeshift equipment in order to meet their sterilization needs. Adequate supervision and quality control have not been possible under these conditions. The hospital's nursing branch conducted a survey of the items most frequently processed in the present autoclave. Included in the survey were the necessary materials for taking blood specimens, doing catheterizations, applying dressings and the carrying on of other miscellaneous patient treatment activities. A survey of the month of June 1960 showed that the total number of such functions requiring supplies was approximately 18,160. A similar check made in February 1962 (a shorter month) disclosed the total to now be approximately 28,600—an increase of 57 percent. It should be noted that the months selected were considered average for the year, with no excessively high or low demands from any particular source.

The location proposed for the new central sterile supply unit is on the ground floor of Nichols Building in a wing adjacent to the present medicine and surgery building. A room presently used for storage by the occupational therapy branch will be renovated and outfitted with new equipment, principally a steam autoclave to replace the existing unit. The new autoclave would be of a rapid sterilizing type using the vacuum system. A smaller gas operated autoclave would also be installed to accomplish the sterilization of items of a type not efficiently handled by the larger unit. Tables, sinks, and shelves would be added to handle the increased workload. Establishment of the larger and more conveniently located facility as proposed would permit the hospital to meet its sterile supply needs with greater ease and more efficiency as well as eliminate a potentially dangerous contamination problem in the area of the hospital's operating room.

The \$14,000 requested for this essential project will cover the necessary alterations and modifications of the physical facilities involved. New equipment requirements for the project will be met through the hospital's regular equipment acquisition program provided for under the salaries and expenses appropriation request.

An additional, but most important factor which prompts an immediate move to Nichols Building is the complete lack of recovery facilities in the medicine and surgery building. Patients recovering from anesthesia are now returned directly to their rooms or wards. In order to administer proper intensive care to persons in this condition, medical and nursing personnel must remain with patients at considerable distances from the operating room where emergency facilities are not available if needed. The only alternative has been to leave patients in nearby corridors or alcoves and run the risk of infection. The availability of space for use as a recovery area will therefore be an invaluable asset to the surgery facility.

Replacement of steam service lines.—An amount of \$42,000 is requested in 1964 for the replacement of steam service lines from the hospital powerplant servicing the laundry-warehouse building. Some of the present lines in this area have been in service from 15 to 50 years and have deteriorated to the point where repairs are almost constant. Early replacement is necessary to assure continuity of service.

The steam and condensation return lines between the powerplant and the laundry-warehouse building are located in a 980-foot concrete duct. Seven years ago, approximately 40 feet of the concrete duct and return line were replaced as a result of a break. Three years later, an additional 25 feet of return line was replaced. Another leak has now developed and the duct will have to be opened again for necessary repairs. The deep excavations necessary to reach the faulty return lines are not only costly but also are causing damage to otherwise intact steam and hot water lines located in the same duct. The unavoidable vibrations and exposure to air resulting from excavation work tend to shorten the life of pipes and lines.

Loss of steam service in the laundry-warehouse building very seriously affects hospital operations and patient treatment activities. Repairs to either the steam or the condensation lines force the laundry to shut down and remove heating services for the entire warehouse building. Equipment requiring the use of steam in this building is in operation almost constantly and even with the most careful scheduling of repairs, work stoppages cannot be avoided. The facilities of the hospital laundry are taxed to the utmost. Clothing and linens are in short supply at St. Elizabeth's, with the result that all of the medical services of the hospital rely heavily upon fast and reliable laundry service. Any curtailment of this service has a direct and immediate effect upon the care and treatment of patients. Some types of supplies (such as food) stored in the warehouse require controlled temperatures. A heating failure in this area could result in a very substantial loss.

To correct the steam service line problems in this area, the hospital proposes to install an entirely new condensation return line between the powerplant and the laundry-warehouse building. The piping would be located away from existing lines in order to avoid disturbing existing usable facilities and to permit the establishment of a more advantageous return angle and depth. The old return line would be abandoned and the present steam pipe would remain in service. Length of the new line would be approximately 980 feet.

Insect screens in patient buildings.—A request for \$50,000 is included in the 1964 budget estimates to cover the cost of installation of heavy duty interior insect screens in certain of the older patient buildings of St. Elizabeths Hospital.

The present screening installations in the buildings covered by the proposed project have badly deteriorated wooden frames. Frequent and costly paint jobs have been necessary in order to retard decay. The screening is of a thin-gauge, household-type wire which has been weakened by extensive rusting and frequent puncturing—the latter damage by patients either as an incident of their mental condition or as an attempt to dispose of trash through windows. The present screens are mounted between the window and the outside protective bars. Because of this, repairs and maintenance must be performed from outside the building with the aid of costly scaffolding. A considerable number of man-hours are necessary for the removal and replacement of window protective bars whenever the screening is serviced. Both bars and screens must be removed whenever the outside of the windows are washed.

The \$50,000 requested for 1964 covers the first phase of a continuing program of replacement of wooden frame screening with new heavy duty all-metal screens which would be operable and removable from the inside to provide accessibility and reduce maintenance costs. In addition to a reduction in screen maintenance costs and increased resistance to patient abuse, the installation of the proposed new screening will greatly facilitate the cleansing and maintenance of windows proper, and, most importantly, provide adequate protection from insects. The screen replacement program is proposed for all buildings equipped with double-hung windows. The 1964 phase of the program will be limited to those buildings where the present screening has reached the end of its useful life.

Alterations to TB building.—An amount of \$35,000 is requested in 1964 to cover alterations and improvements required for the conversion of a portion of the present TB building to laboratories and offices for the hospital's research branch.

The behavioral studies function of the research branch now occupies a part of the second floor of the TB building. Privacy, proper facilities, and freedom from distractions are major requisites of such an operation but none of these exist at present in the area of the TB building occupied by research personnel. Complex mathematical computations must be made in rooms shared with five or six other employees, a mimeograph machine, several telephones, and other office equipment. Errors have resulted which have held up experiments and required senior medical officers to take time in checking mathematical work. Two senior psychiatrists are doing much of their own clerical work because no space is available for secretaries. The research branch has been frequently embarrassed in its work with graduate students from various universities because it was unable to provide seminar and working space comparable to the minimal standards of many of these schools.

Poor acoustics in the present facility are a source of constant harassment. Experiments with patients or paid subjects must be discontinued whenever maintenance, repairs, or other activities are performed in or around the building. Certain types of electronic equipment must be operated inside makeshift boxes in order to contain the noise. The conference room and several experimental areas are frequently unusable because of noise from a nearby air-conditioning plant. Lighting is so primitive that on one occasion one of the professional personnel had to complete work upon an electronic computer with the aid of his secretary holding a flashlight.

The present inadequate facilities and unsatisfactory working conditions make it most difficult for the hospital to compete with other institutions for the services of highly skilled research personnel. Unless some immediate action is taken to improve this situation, the hospital will be hard pressed to retain its present professional research staff. The proposed conversion of space in the TB building will provide some measure of badly needed relief.

Funds requested in 1964 will permit the conversion of a former downstairs porch and TB ward into 15 rooms and 3 large laboratory areas. Soundproofing and acoustical tile will be used wherever necessary to deaden sound. Increased electrical capacity and the installation of fluorescent ceiling lights (nonexistent in the present facility) will be used to increase employee efficiency and reduce malfunctions of electronic equipment which have resulted from surges in the power supply and interference produced by defective light bulbs. The installation of high quality locks will provide security for costly but portable machines.

It must be emphasized that the implications of these improvements extend beyond the scope of increasing efficiency. The improvement of the hospital's research facility represents the only means available for the retention of high quality research personnel. Loss of any one individual at this time would mean the loss of important experiments and the work of several months.

Replacement of sanitary sewer under laundry road.—Funds in the amount of \$54,000 are requested in fiscal year 1964 for the replacement and relocation of a sanitary sewer now located under the road to the laundry and warehouse building.

The sewer proposed for replacement is a main trunkline sewer which provides sewage disposal for that half of the hospital buildings located on the west side of Nichols Avenue. The present line, which is in excess of 60 years of age, has become a major maintenance problem, located as it is under the main access road to the hospital's laundry and warehouse facilities. Because of its location, excavations for repairs to the sewerline result in cutting off access to these two locations, thereby disrupting laundry schedules and warehousing operations, particularly the storage of incoming perishable foods. The problem of breaks in the present line is aggravated by the fact that the line is set at a depth of only 4 feet below road level. The weight and vibration of the heavy truck traffic to and from the laundry-warehouse area have caused serious breaks and could possibly cave in the present obsolete structure. A particularly bad break in 1961 demonstrated the need for early replacement.

The proposed replacement would consist of 800 feet of 24-inch pipe placed in a new location away from existing roadways, and accessible from ground level through four manholes. The hospital engineer considers this project a most urgent need at this time.

Modernization of dishwashing installations.—A request for \$18,000 is included in the 1964 budget estimates for continuation of a dishwashing installation modernization program. Several areas of the hospital are totally lacking in mechanical dishwashing equipment. Many other areas are equipped with in-

stallations that have long since outlived their useful life and do not provide proper sterilization nor meet accepted sanitary requirements. Contamination is a distinct possibility. The hospital proposes to install adequate piping and modern dishwashing installations where necessary to correct this potential health hazard. Funds were provided in 1962 and 1963 to cover the first two phases of the dishwashing facility improvement program. The sum requested for 1964 will permit the carrying out of the third step of the project.

Many of the facilities scheduled for modernization are over 30 years old. Repair costs have risen sharply as manufacturers have discontinued their stocks of replacement parts. The cost of custom manufacture of parts has proven exorbitant and their fabrication from available materials frequently proves inadequate and sometimes even injurious to other sections or parts of the equipment.

The old dishwashing machines lack several of the modern safety devices designed to protect the operator from scalding and burns. This deficiency is felt acutely in a mental hospital where patient help is used extensively. The installations scheduled for replacement were designed to operate the rinse water at a temperature of only 130°. Adequate sterilization, an essential in any case but of particular significance and importance in a hospital setting such as St. Elizabeths, is impossible at this temperature. Proposed installations will be equipped with the latest safety devices and will rinse at 180°, a temperature considered adequate for sterilization purposes. Improved sinks and counters, garbage disposal units, and adequate ventilation facilities will be installed in the dishwashing areas to assure proper sanitation throughout the dishwashing process.

Funds requested for 1964 will permit the hospital to renovate or install the necessary steam, water, and drain piping required for the higher water temperatures and the modern dishwashing facilities in approximately 20 separate installations. The cost of equipment required for this project will be met through the hospital's regular equipment acquisition program provided for under the "Salaries and expenses" appropriation request.

Addition to the powerplant.—An amount of \$25,000 is requested in fiscal year 1964 for the construction of a small one-story addition to the hospital's powerplant to provide adequate locker room, shower, and toilet facilities for approximately 50 employees working at this location.

Personnel assigned to the powerplant area are required to work in high temperatures accompanied by smoke, soot, and coal dust. To maintain minimal standards of personal health and cleanliness, it is necessary that these employees have proper facilities to wash and change clothes. The present toilet and locker room facilities available to employees of the powerplant are inadequate, substandard to the point of being primitive, and are scattered in cubbyholes and other undesirable locations throughout the basement area of the plant. During the change in shifts, the situation is particularly bad—employees must frequently stand in line awaiting their turn to use the existing facilities. Aside from the health factor, the lack of adequate facilities for these employees is adversely affecting morale—a matter of significance since the retention of high caliber operating engineers and supporting personnel at the powerplant is of the utmost importance to all hospital operations and programs.

CHANGE IN FINANCING

Mr. FOGARTY. Mr. Kelly, do you want to add anything on the suggested change in financing?

Mr. KELLY. If you would like some greater elaboration of it, we will be glad to insert that.

Mr. FOGARTY. All right, would you do that.
(The statement follows:)

CHANGE IN METHOD OF FINANCING OF ST. ELIZABETHS HOSPITAL

Funds for the operation of the hospital are obtained through direct appropriations from the Federal Government, reimbursements as provided by law for patient care rendered, and miscellaneous revenues.

Most of the reimbursements are paid by the District of Columbia, which is the source of about 70 percent of the hospital's average daily patient load.

Appropriations and reimbursements under the present method of financing are based on per patient day costs determined by dividing total proposed program costs by the estimated number of patients to be cared for. Under this system of financing, the sufficiency of operating funds for the hospital has depended in large measure upon the accuracy of patient load forecasts and the ability to adjust per diem reimbursement rates during the year. Even relatively minor deviations from anticipated patient loads without prompt changes in reimbursement rates can result in substantial loss of income.

To correct this situation, the hospital in 1964 proposes a change from a definite to an indefinite Federal appropriation, under which the hospital would receive in appropriated funds the difference between the amount of reimbursements actually received during the fiscal year and the total program costs approved by the Congress for the year, eliminating uncertainty as to the availability of funds.

This innovation will also have the effect of eliminating any uncertainty as to congressional intent, since the Congress will act on the full amount of the hospital's total program costs, which is identified in the appropriation language, although the actual appropriation will still be only the amount which is necessary after deducting the reimbursements.

A second major change in financing proposed for fiscal year 1964 places the charges for care of District of Columbia beneficiaries on a basis comparable with State mental hospital costs by basing such charges on the estimated 1964 median cost per patient day of the upper 10 percent of States. This proposed change will:

1. Stabilize the financing of the District of Columbia's share of the hospital's cost of operation and permit more orderly budgetary procedures. The District will be able to estimate with much greater accuracy the total cost of care of mental patients for inclusion in its annual budget presentation. This estimate is derived from projections for the budget year of patient load and of costs, the latter based on the most recent data on per diem costs in State mental institutions as reported by the National Institute of Mental Health. The per diem charge set for the District will remain constant for the year despite fluctuations in patient load. A decline in load would no longer require an upward adjustment in the per diem rate. Thus, a very real financial inducement will be created for the District of Columbia not only to locate lower cost community facilities such as foster homes but also to have transferred to such facilities those District patients at St. Elizabeths who no longer require mental hospital care.

2. Establish the charge to the District of Columbia at an appropriate level based on an objective index. The median of the top 10 percent of States represents a dollar level at which the District could reasonably be expected to support the hospital portion of its mental health program and one consistent with the standards which have generally been adopted by the District in support of its public institutions.

3. Provide for the continuation of financing by the Federal appropriation of certain costs, e.g., research and training, which are less directly related to patient care.

The 1964 budget of St. Elizabeths Hospital therefore proposes the establishment of a \$9.49 per patient day charge for care rendered District of Columbia patients in fiscal year 1964. The total cost of hospital programs proposed for 1964, including training and research, is estimated at \$11.53 per day.

Mr. DENTON. I like your plan about new method of financing.

There is just this difficulty: How much more does the Government pay than they did before and how much less does the District pay?

Mr. KELLY. Well, under the budget as submitted to you, the Federal Government would be paying \$2,903,000 more than under the financing plan that prevails in 1963.

Mr. DENTON. And if we should put in the report that the District pay for the District prisoners, it would be a difference of some \$500,000 or \$600,000?

Mr. KELLY. \$542,000. Yes, sir.

Mr. DENTON. Now, I am sure that you know that most Members of Congress look very carefully at any transactions between the District and the Government to be sure that the Government is being treated fairly.

Mr. KELLY. Yes, sir.

Mr. DENTON. And, of course, we are going to be asked about that.

Mr. KELLY. I would like to say one of the considerations this committee should have in connection with this financing plan is that if we can make this kind of separation between the District of Columbia and the Department of Health, Education, and Welfare, in the management of St. Elizabeths Hospital, that it will be easier, both within the executive branch and the legislative branch, to make this hospital the kind of a Federal enterprise which is an example to the States of what they can do.

And I think it is the belief of most of the professionals that in the long run this will save money and not cost money.

Mr. DENTON. Mr. Kelly, I agree with you on that.

I think that is all.

Mr. FOGARTY. Mr. Lesinski.

TOTAL BUDGET

Mr. LESINSKI. Dr. Cameron, your total budget is actually \$27 million-some-odd thousand; is it not?

Dr. CAMERON. Yes, sir,

Mr. LESINSKI. And you are requesting \$9,716,000?

Dr. CAMERON. That is correct.

Mr. LESINSKI. And the balance is made up how?

Dr. CAMERON. Reimbursements.

Mr. LESINSKI. Reimbursements of patients.

Dr. CAMERON. Yes, sir; actually cared for, primarily from the District. There are some other categories.

AGE OF BUILDINGS

Mr. LESINSKI. How old are the buildings?

Dr. CAMERON. The buildings date back, the oldest ones, to about 1855.

Mr. LESINSKI. That is as bad as England. Most of their hospitals are real old over there.

Dr. CAMERON. Yes, we have some items of historical interest.

Mr. LESINSKI. Talking about the great medical care in England, most of the hospitals are so outdated it is not funny.

Talking about the wiring, I can understand why your buildings should be rewired, and the plumbing also. Because plumbing rusts away on the inside of the pipe, and lowers the water pressure.

Dr. CAMERON. You are quite correct in anticipating that our plumbing situation is almost as bad as our wiring situation. Was it not this year we got funds for a contract to study our entire plumbing situation and when that study is complete, we will doubtless be presenting to you a request for construction money of substantial magnitude.

Mr. LESINSKI. Wouldn't it be better to put up a new building than try to repair the old one?

Dr. CAMERON. Some new buildings are needed, but not the whole hospital.

Some of the buildings are quite new. One is not yet occupied. There are several old buildings so obsolete both in design and decrepit in maintenance, it would be better to rebuild if we need that many beds.

Incidentally, we have not spent much money, if any, on those buildings which we anticipate will be demolished in the very near future.

Mr. LESINSKI. Well, I appreciate that, because of the fact it is just throwing money away.

RESEARCH GRANT PROJECTS

How much money do you get in grants from the Institutes of Health or any of the other agencies of the Federal Government?

Dr. CAMERON. At the moment our grants amount to about \$54,000 for research.

Mr. LESINSKI. What projects?

Dr. CAMERON. There are two projects. One is on the operant conditioning that I spoke about earlier. It is referred to as the human information-seeking behavior project. The second one has to do with a study I did not mention before, and involves hormone controls on certain types of white blood cells.

Mr. LESINSKI. So out of the \$27,413,000 there will be an additional—

Dr. CAMERON. \$54,000 at the moment. Yes, sir.

Mr. LESINSKI. That is all. Thank you, Mr. Chairman.

NEW FINANCING PLAN

Mr. FOGARTY. Is there anything else you would like to say?

Dr. CAMERON. I would simply like to underscore, Mr. Chairman, the importance of this proposed financing mechanism. There are two points basically, in connection with it.

Mr. FOGARTY. The committee has talked about this before, and decided something ought to be worked out. As I see it, the only problem we have is we want the District to pay their fair share. We think they are able to pay and ought to pay. We will have to get some figures on that.

Dr. CAMERON. That is basically a financial issue, one relative to the District's ability to pay, on which I am not an expert.

But I would like to underscore that this mechanism, which could be adjusted one way or another as to amount, and you have suggested indirectly some means in terms of prisoners and so on, this mechanism will stabilize our finances so that we can do a much better job of planning for expenditures and stability of our program.

Mr. FOGARTY. I understand that.

Dr. CAMERON. The other point which has to do with the stable amount which the District would pay, not a variable but a stable per diem, would provide a very powerful incentive for the District to move their patients who no longer need hospitalization in a mental hospital from our hospital to other kinds of facilities. I think that is a very important incentive that we badly need.

Mr. FOGARTY. Yes; I see.

ORIGINAL REQUEST FOR 1964

Just one other thing. Would you place in the record a statement showing your original request and what was cut from it? Give it in some detail.

(The requested information follows:)

DELETIONS FROM THE HOSPITAL'S 1964 REQUEST TO THE BUREAU OF THE BUDGET

The following items were deleted from the hospital's 1964 budget requests by the Bureau of the Budget:

Salaries and expenses

Total request to Bureau of Budget-----	\$28, 951, 000
Deletions and reductions:	
1. 306 new permanent positions-----	1, 031, 000
2. 20 trainee positions-----	84, 000
3. Reduction in request for new or additional equipment-----	135, 000
4. Reduction in request for supplies and materials-----	224, 300
5. Reduction in request for facility repairs-----	33, 000
6. Reduction in funds for employee training and travel-----	23, 400
7. Minor reprogramming changes-----	7, 300
Deletions and reductions-----	-1, 538, 000
Hospital request to the Congress-----	27, 413, 000

New permanent positions.—The hospital's submission to the Bureau of the Budget included a request for 300 new permanent positions for staff improvement in patient care programs and for expansion of research and training activities. Only 50 positions for research and training were approved. The remaining 250 positions proposed for patient care activities were disallowed. In addition, a further reduction of 56 in the authorized 1963 base staff was required for partial absorption of GS pay increase costs.

The 306 permanent positions deleted from the hospital's proposed 1964 staff were requested for improvements in the most seriously understaffed hospital areas, principally medical, ancillary, and nursing activities, in order to permit the hospital to improve its efforts to provide for many of its patients the active therapeutic and rehabilitative programs so necessary for effective treatment of mental illness. The additional positions requested were designed to continue the expansion of staffing for the hospital's patient care activities which has taken place in recent years, with the ultimate goal of providing an effective care and treatment program made possible by scientific advances in the field of mental health.

Trainee positions.—The 20 additional unclassified intern and resident trainee positions deleted from the budget were requested to permit the hospital to increase its contributions to the Nation's reserve of trained professional personnel qualified in the psychiatric disciplines and to provide some additional "in-training" personnel to assist in furnishing better care and treatment for patients.

Equipment.—The 1964 submission to the Budget Bureau included a request for \$600,000 in equipment funds to provide for the orderly reduction of a backlog of equipment replacement needs, meet current replacement requirements, and permit the purchase of needed new or additional items. The Budget Bureau allowed \$465,000, a reduction of \$135,000 below the request.

The Bureau also directed that any equipment required for approved facilities improvement projects had to be absorbed by equipment funds in the "Salaries and expenses" appropriation. This in effect reduced equipment funds available for general operations by \$113,000. The deleted funds would have permitted the hospital to acquire some of the new or additional equipment required for modernization and program expansion, i.e. equipment required for general improvement and modernization of laundry operations, a mechanized trash-collection system, specialized medical, dietary, maintenance items, etc.

Supplies and materials.—A total supplies and materials budget of \$4,348,200 was requested in the hospital's 1964 submission to the Bureau of the Budget. The Bureau allowed \$4,123,900, a reduction of \$224,300 below the request. The funds deleted would have been used principally to provide a better food ration, meet more adequately the increasing demands of professional staff for improved drug and medical supply programs, and provide further improvement in the levels of supplies available for recreational and occupational therapy programs, and for maintenance, industrial, housekeeping, and sanitation activities.

Facility repairs.—The hospital in its 1964 submission to the Budget Bureau requested \$135,000 for four facility repair projects. The Bureau approved the undertaking of the projects but allowed only \$102,000, a reduction of \$33,000 below the request. The hospital will thus be required to reduce the scope of the work contemplated in this area during 1964.

Employee training and travel.—The budget submission for 1964 included a request for an additional \$49,000 for employee training (+\$38,000) and for travel (+\$11,000). The request was reduced to \$24,900. The deleted funds would have enabled the hospital to provide for a more nearly adequate program of employee development and training, and for greater participation of staff in meetings of professional groups on matters associated with mental health activities.

Programing changes.—An amount of \$7,200 was included in the initial budget submission to cover the rental of additional automatic data processing equipment for the hospital's biometrics branch. A reevaluation of the data processing program plans permits the deferment of this item in fiscal year 1964. The balance of the \$7,300 deletion results from the rounding off of estimated costs of the extra day in 1964.

Buildings and facilities

Total request to Bureau of Budget.....	\$2,665,000
Transfer of estimated equipment costs to "Salaries and expenses" appropriation.....	—113,000
Adjusted request to Bureau of Budget.....	<u>2,552,000</u>
Deletions and reductions:	
Planning funds for a general medicine and surgery facility.....	\$375,000
Preliminary planning for an adolescent treatment center.....	150,000
Construction of quarters for Superintendent.....	50,500
Hospital site study.....	55,000
Rewiring and extension of electrical facilities.....	120,000
Installation of new elevator in CT kitchen.....	47,500
Replacement of steam service lines.....	35,000
Addition to the hospital powerplant.....	10,000
Air conditioning of geriatric building.....	1,082,000
Deletions and reductions.....	<u>—1,925,000</u>
Hospital request to the Congress.....	627,000

General medicine and surgery facility.—Funds in the amount of \$375,000 were included in the budget request for the development of plans and specifications for the construction of a 250-bed general medicine and surgery building. The new structure, part of the hospital's long-range building program, was proposed to (1) replace two obsolete buildings (Blackburn Laboratory and R building); (2) permit the conversion of the present medicine and surgery building, which has become inadequate in its ability to meet present-day requirements of medical practice, to more effective use as an intermediate medical care facility for chronically ill patients; and (3) provide modern up-to-date general hospital and laboratory facilities for the patients of St. Elizabeths Hospital.

Adolescent treatment center.—The hospital's 1964 budget submission included \$150,000 for the development of a program statement, plans, and specifications leading to the construction of a residential treatment center for adolescent patients. There is at present no special facility or program at St. Elizabeths Hospital for the treatment of mental patients of this particular age group.

Quarters for the Superintendent.—An amount of \$50,500 was included in the budget request for plans, specifications, and construction of a suitable residence for the Superintendent of St. Elizabeths Hospital. The present quarters, an apartment located in a 103-year-old building, were originally constructed as

patient quarters and are not structurally suitable for the purpose for which they are now used. The hospital proposed the construction of an appropriate residence on the hospital grounds and the reconversion of the present apartment to uses more consistent with its layout.

Hospital site study.—An amount of \$55,000 was requested in the 1964 budget submission to finance the undertaking of a comprehensive architectural survey of the hospital site and property for the purpose of developing an up-to-date master plan or program for future construction, alterations, and facility improvement projects (including the updating of utility drawings) at St. Elizabeths Hospital.

Rewiring and extension of electrical facilities.—An amount of \$474,000 was included in the hospital's request to the Bureau of the Budget for continuation of the hospital's program of replacement, extension, and modernization of basic electrical facilities. This is a continuing project which has been underway for some years and will continue in active status until inadequacies in the electrical system are corrected throughout the hospital. The \$474,000 requested for the 1964 phase of the project was reduced to \$354,000 under the Budget Bureau allowances.

Installation of new elevator in C. T. Kitchen Building.—Included in the hospital's 1964 request was for \$47,500 for the installation of a second elevator to provide necessary service for food preparation areas and 12 dining rooms located in the C. T. Kitchen facility.

Replacement of steam service lines.—An amount of \$77,000 was requested in the 1964 budget submission for the replacement of steam service lines from the hospital powerplant leading to the (1) laundry-warehouse building, and (2) greenhouse and No. 1 gatehouse. The Budget Bureau allowed \$42,000 for the first phase but deleted the \$35,000 required for the greenhouse and No. 1 gatehouse portion of the project.

Addition to powerplant.—The hospital's 1964 budget request provided for \$35,000 for construction of a small one-story addition to the hospital's powerplant to provide adequate locker room, shower, and toilet facilities for approximately 50 employees working at this location. The allowance of \$25,000 reflects a reduction in the scope of the project.

Air conditioning of geriatric building.—An amount of \$1,082,000 was included in the hospital's budget request for air conditioning of the geriatric building, a 500-bed treatment facility housing aged and infirm patients aged 64 and over. Patients in this building for the most part are confined to bed or wheelchairs and are particularly susceptible to fluctuations in temperature and humidity. The hospital requested funds in 1964 to air-condition this building as a means of improving the general health and welfare of these patients.

WEDNESDAY, MARCH 20, 1963.

AMERICAN PRINTING HOUSE FOR THE BLIND

WITNESSES

FINIS E. DAVIS, VICE PRESIDENT AND GENERAL MANAGER
JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

EDUCATION OF THE BLIND

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Grants for education of the blind:			
(a) Educational materials.....	629	698	784
(b) Expenses related to advisory committees.....	41	41	41
Total obligations (object class 41).....	670	739	775
Financing: New obligational authority (appropriation).....	670	739	775

GENERAL STATEMENT

Mr. FOGARTY. Mr. Davis, are you ready?

Mr. DAVIS. Yes, sir.

Thank you.

Mr. Chairman and members of the committee, I appreciate the opportunity of appearing before the group this morning with justifications in support of the appropriation of the American Printing House for the Blind.

I understand the detailed justifications have been submitted to the committee. I shall present a summary of justifications and then I should like to make a few comments concerning our progress during the past year or so. Then I will be happy to answer any questions.

Mr. FOGARTY. All right. Fine.

Mr. DAVIS. The American Printing House for the Blind is a non-profit educational institution, founded in 1858, and located in Louisville, Ky.

Each year the Printing House receives Federal appropriations to be used to provide free braille textbooks and other educational materials needed for the education of the Nation's blind children.

Congress first appropriated funds for this purpose in 1879.

Through the Federal act, the Printing House serves two groups of blind children.

Educational materials are provided (1) to students who attend special schools and classes for the blind and (2) to blind students who attend regular public schools and classes with sighted children.

This latter group of students was brought within the program of the American Printing House by the enactment of Public Law 922 in the 84th session of Congress.

Additionally, through passage of Public Law 87-294, approved September 22, 1961, a reasonable sum is authorized for staff salaries and other expenses relating to the advisory committees of the Printing House, which choose the materials to be developed and supplied through the Federal appropriations.

The funds appropriated are utilized by the Printing House for the payment of the production costs of books and educational apparatus used by blind children, and for staff, consultants, and other expenses involved in the administration of the act, as noted above.

No part of them is used for such items as heat, electricity, maintenance, purchase of equipment, or construction or leasing of buildings.

BUDGET REQUEST FOR 1964

Of the 1964 appropriation request \$734,000 will be credited to the public schools for the blind and the chief State school officers, and the remainder of \$41,000 will be used for consultant and staff services.

The total budget estimate of \$775,000 is an increase of \$36,000 over the amount appropriated for fiscal year 1963.

An additional amount of \$10,000 is available under the permanent annual appropriation.

The 1964 budget request for the Printing House is based on three factors:

- (1) The number of eligible blind pupils enrolled;

- (2) The level of the per capita grant; and
- (3) The amount proposed for expenses related to advisory committees.

INCREASE IN NUMBER OF BLIND CHILDREN

The number of blind children eligible to receive educational materials from the Printing House has increased every year over the last decade.

This has followed the national trend toward larger school enrollments at the primary and secondary levels due to the high birthrates of the 1940's and 1950's and also has reflected enrollments of children who were afflicted by retrolental fibroplasia during the period before its cause was determined.

Analyses of trends and other data from the States indicate that the number of blind pupils will continue to increase.

Enrollments as of the first Monday in January were 14,762 in 1961; 15,973 in 1962; and 16,841 in 1963.

On the basis of the information now available, an estimated 17,691 blind pupils will be enrolled in fiscal year 1964 in programs eligible to receive books and materials from the Printing House.

This figure represents an increase of 850 over fiscal year 1963.

The per capita grant requested in 1964 is \$42.05, approximately the same level approved by Congress for the current fiscal year.

Similarly, the \$41,000 requested for support of advisory committees is the same amount included for this purpose in the 1963 appropriation.

This completes my statement, Mr. Chairman.

And if I may be permitted to give a brief review of our progress during the past year, then I shall be happy to answer any questions you may wish to ask about the budget request which is now before you.

Mr. FOGARTY. Go right ahead.

PROGRESS DURING PAST YEAR

Mr. DAVIS. Briefly summarizing, during the past year the Printing House has taken steps to amend our State charter to include the superintendents of public instructions or their designees as *ex officio* members of the trustees. This is complying with the Federal regulations.

In addition to that, we have just completed some 40,000 additional square feet of floor space, expanding every phase of our production program, as well as providing additional facilities for storing finished products, warehousing.

The active participation of the State departments on advisory committees has been most helpful to us.

They are actively participating in these committee activities and in the work in determining the areas that can best be used in the education of the blind throughout the Nation.

Equipmentwise we are expanding to meet the challenge ahead. Until the change in the act in 1961 we did not know which way to move but since that legislation, we have taken steps to obtain the facilities, equipment, personnel, and know-how necessary to meet this challenge.

So that is the result of the 40,000 additional square feet at a cost of about \$450,000.

Equipmentwise we feel that it is necessary to expand our facilities to meet peak loads.

There has been a real problem in having equipment ready to meet the peak loads in September whenever the adoptions have been made the prior year for new materials.

We are going to have additional standby equipment. It may not be used during the full year but this equipment will be put in use in the spring of the year, so in September we can give positive schedules, so they know these materials that are adopted will be available to them.

And the warehousing has been a problem, facilities for additional warehousing.

The real bottleneck in my opinion at the Printing House at the moment is to find money for inventory of these materials.

Right now our inventory, Printing House funds, is in the neighborhood of \$1 million, just to meet the service of these children, and the schools through the appropriation.

In other words, the Federal Government provides no inventory. Every dollar that we get through the Federal appropriation is allocated to these children or these school and State departments annually and they use those materials. So the inventory service is something that we are providing. And this burden is reaching a climax as far as the Printing House is concerned.

At the last annual meeting of our board, including representatives of State departments, action was approved that I should take some steps to see what assistance we might be able to get through Federal appropriation to provide inventory as well as materials.

It was the feeling of this group that to have materials available when they are needed is just as important as having the materials—in fact, if they are not available when they are needed they are not nearly meeting the needs of the departments.

USE OF COMPUTER TO PRODUCE BOOKS IN BRAILLE

Researchwise, our research with IBM with the computer, has been completed.

We have proven the value of this. We have produced several books with this system. At the moment our bottleneck is a computer.

Our IBM man has been trained; he knows how to program the computer for computing in the braille grade 2 for automatic reproduction of plates. I cannot say to you how this is to happen, but during the year it is our opinion that through cooperation with IBM we would have a computer at the Printing House. We will not have to send our IBM man to New York to take our key punch cards to a computer there and bring it back to Louisville for production.

It would only take a short time once he gets there, but there is the extra inconvenience involved in traveling.

Now, we know that steps are being taken through IBM to have a computer at the American Printing House. This will greatly help us.

PROVIDING MATERIALS FOR PUBLIC SCHOOLS

Now, in our approach to this, when we assume the responsibility of providing materials for public schools, it presents a real problem.

Actually it is impossible to produce everything in braille that is needed in every public school system in the Nation.

But we are taking steps to have the facilities to produce a greater number of titles in each course of study, in the English, in the math, in the science, in the basic course.

We are going to have more copies, more titles available, which will give a greater choice. And it is our hope to produce the most widely used textbooks, and then the next most widely used, and then the next most widely used, and then rely on volunteers.

We can produce volunteers' work as much as we can.

We are going to have fewer copies produced of a greater number of books, meaning a greater inventory. Fewer copies will increase the cost to some extent, but fortunately your administrative funds to help us to carry the costs of these committees and some of our staff members have made it possible for us to continue without any increase in costs thus far.

I do not know how we can continue to do that as we branch out and continue to produce more and more materials.

I think in large measure this is a summary of what we have done during the year to take steps to increase the services to the blind children of this Nation; and now Mr. Chairman, I shall attempt to answer any questions that any member of the committee might like to ask.

AMOUNT OF BUDGET REQUEST FOR 1964

Mr. FOGARTY. Thank you.

Your appropriation for 1963 is \$739,000.

Mr. DAVIS. Yes, sir.

Mr. FOGARTY. And request for 1964 is \$775,000.

Mr. DAVIS. Yes, sir.

Mr. FOGARTY. This is an increase of \$36,000 which will provide for an estimated 850 additional blind pupils at \$42.05.

Mr. DAVIS. Yes, sir.

Mr. FOGARTY. That is about the same rate as 1963.

Mr. DAVIS. That is right. Approximately the same.

Mr. FOGARTY. How is the expansion of your plant being financed?

Mr. DAVIS. Well, through funds of the Printing House, contributions. That has been the history of the Printing House in the years gone by.

EXPENSES OF ADVISORY COMMITTEE

Mr. FOGARTY. A year or two ago, for the first time we started financing an advisory committee.

What has the advisory committee done that makes it worth the \$41,000 annual expenditure?

Or would it be more worthwhile to spend this money on teaching materials for blind children?

Mr. DAVIS. No, sir. I think not. I think the \$41,000 can well be justified and perhaps additional funds can be justified for this type of help to the Printing House.

Up until this recent change in legislation, we had advisory committees, publications committee of five members, research committee of five members, and a tangible apparatus committee of five members, developing new aids for the blind; but no funds were provided to make it possible for these committees to come to the Printing House and meet with us and give us the guidance and help that we need.

We can do it. We have the know-how. We have the research departments paid by the Printing House. But there has not been any way to provide for transportation to give us this assistance.

The Printing House has not had any funds available—we have had funds but we have not felt it was our responsibility to provide these services.

We feel that we are subsidizing the education of the blind to a great extent in this Nation as it is, and we feel that it is not out of line at all for these committees to have their transportation provided to come to give us assistance.

And we think it is not out of line if we were to ask the Government to provide for us some people in the field, so that we may go out and see what is being used in these schools. That way we get the ideas that we can come back and develop through our research department.

This has been a boon to the education of the blind. It is well accepted in the field, it is badly needed; right at this moment the Printing House is sharing some of that expense in fiscal year 1963 as a result of our request not being met.

Mr. FOGARTY. Will you put in the record the names of the people on the advisory committee?

Mr. DAVIS. I shall be glad to.

(The information follows:)

PUBLICATIONS COMMITTEE

D. W. Overbay, chairman, Ohio School for the Blind, 5220 North High Street, Columbus, Ohio

V. R. Carter, superintendent, Oklahoma School for the Blind, 3300 Gibson Street, Muskogee, Okla.

Roger P. Elser, director, special education, West Virginia Department of Education, Charleston, W. Va.

George D. Heltzell, superintendent, Missouri School for the Blind, 3815 Magnolia Avenue, St. Louis, Mo.

Charles W. Watson, chief, bureau of special education, California State Department of Education, Sacramento, Calif.

EDUCATIONAL RESEARCH COMMITTEE

Joseph R. Shinpaugh, chairman, superintendent, Virginia School for the Deaf and the Blind, Staunton, Va.

Galen Dodge, Jr., director, special education, State department of education, Lincoln, Nebr.

Stella Edwards, director, special education, Kentucky State Board of Education, Frankfort, Ky.

R. E. Long, superintendent, Wisconsin State School for the Blind, Janesville, Wis.

R. H. Thompson, superintendent, Michigan School for the Blind, Lansing, Mich.

TANGIBLE APPARATUS COMMITTEE

L. P. Howser, chairman, Kentucky School for the Blind, 1867 Frankfort Avenue, Louisville, Ky.
 W. E. Allen, superintendent, Texas School for the Blind, Austin, Tex.
 Dorothy D. Bryan, consultant, State department of public instruction, Springfield, Ill.
 Guy J. Marchisio, chief of children's services, Connecticut State Board of Education, Hartford, Conn.
 Jerry R. Regier, superintendent, Nebraska State School for the Visually Handicapped, Nebraska City, Nebr.

Mr. FOGARTY. And also a breakdown of their expenses.
 (The requested information follows:)

AMERICAN PRINTING HOUSE FOR THE BLIND

Breakdown of budget for administrative purposes, fiscal years 1963 and 1964

<i>Staff</i>	
2 assistant braille editors and field consultants, at \$8,000_____	\$16,000
1 textbook consultant_____	8,000
1 assistant to editor_____	4,200
1 special field representative for tangible apparatus_____	8,000
1 research associate_____	7,500
1 ediphone secretary_____	3,600
Total_____	47,300
Travel and expenses for various committees and consultants, along with the above-mentioned Printing House staff in working with the schools for the blind, State departments of education, publishers, etc_____	27,700
Total expenses_____	¹ 75,000

¹ Of this amount, \$41,000 will be provided through the Federal appropriation and \$34,000 from private Printing House funds.

MATERIALS AVAILABLE THROUGH LIBRARY OF CONGRESS

Mr. FOGARTY. Mr. Davis, I assume you know what the Library of Congress has for the blind?

Mr. DAVIS. Yes, I am very familiar.

Mr. FOGARTY. What do they have for the blind?

Mr. DAVIS. For a number of years, it was for the adult blind, providing recorded materials and braille materials of all types, and recently there has been a change whereby music is provided for the blind. There has been a change where they can provide materials even for blind children but not basic textbook materials. They provide fiction of that type that a blind child might enjoy during the summer months, and so forth.

Mr. FOGARTY. Yes. I understand that part.

What I am leading up to is yesterday we were told that in the program for the aging, one project was carried on, I think out in the Midwest, where people over 65 have gone back to school.

Now, it is my understanding that there are some materials for the blind in the Library of Congress that are used very little. I was wondering if the materials are made available to people in other parts of the country.

Mr. DAVIS. Oh, yes, they are available to them through their regional libraries.

Mr. FOGARTY. Through regional libraries.

Mr. DAVIS. Yes. They have about 32.

We produce a large amount of the materials for the Library of Congress on a nonprofit basis.

Mr. FOGARTY. This was called to my attention by a person who represented three or four large national groups on aging.

Mr. DAVIS. Yes.

Mr. FOGARTY. And my recollection is that he said they have these materials in the Congressional Library, that much of it is not being used, but for some reason or another they were not able to take advantage of it.

I do not know why and I thought perhaps you did.

Mr. DAVIS. Well, that would be difficult for me to understand because these materials are provided free to the blind through the Library of Congress, Division for the Blind, using regional libraries throughout the country.

Mr. KELLY. And by mailing to the individual's home.

Mr. DAVIS. Free. Yes.

Mr. KELLY. They do not have to go to the Library to use it.

Mr. DAVIS. Oh, no.

Mr. KELLY. They are mailed to their home.

PROBLEMS OF PARTIALLY SIGHTED GROUP

Mr. FOGARTY. But they would have to be blind to be eligible for this service?

Mr. DAVIS. Yes, they would. They would have to come under the accepted definition of blind to participate in this program.

This is a program for the blind. And if he were a partially sighted person with vision greater than 20/200, then he would not be eligible to participate in this program for the blind.

Mr. FOGARTY. But in the aging population there is that gray area.

Mr. DAVIS. Yes, there is. There is no question about it.

Mr. FOGARTY. It is almost impossible—

Mr. DAVIS. And that is the case with children too.

They are called partially sighted children. They may be about the most neglected group of handicapped children.

Mr. FOGARTY. I say, Why do we not do something about that? I have heard this discussed many times in the past, but if there is a question it seems to me we ought to bend over backward to take care of that child.

Somehow, some way, but that would require legislation; would it not?

Mr. DAVIS. It would.

Mr. FOGARTY. What would you suggest to help these kids in this area?

Mr. DAVIS. Well, they would have to be brought into the program through legislation.

We produce many large-type books for the blind child. Some of our blind children with 20/200 vision or less can better be educated by reading a large-type book than to be compelled to learn to read braille.

We can provide a large-type book for that partially sighted child who meets the criteria.

Mr. FOGARTY. Where would the dividing line be?

Mr. DAVIS. I would say that between 20/70 and 20/200 would be a partially sighted child that could be educated with a large-type book.

Mr. FOGARTY. Would that be a fair division of the aging group?

Mr. DAVIS. Yes; I should think so.

Mr. FOGARTY. I thought maybe, if you get 65 or over, it might be more difficult, and there may be more need.

Mr. DAVIS. I believe if he had vision that were at least 20/70 he would be able to read our regular print; but if he had vision between 20/70 and 20/200, the technical or accepted definition of blindness, I believe he would be helped a great deal with large type.

Mr. FOGARTY. This would require a change in the legislation then, for both your program and the Library's.

Mr. DAVIS. Yes; and a great deal more thought.

Mr. FOGARTY. How would it affect your operation if legislation were passed, according to what you have just suggested?

Mr. DAVIS. Mr. Chairman, I do not visualize this as a part of our program. This is in my opinion a part of special education that may be beyond it. Our program is for the blind.

Mr. FOGARTY. Yes.

Mr. DAVIS. It has always been.

Mr. FOGARTY. I see.

Mr. DAVIS. And when we go to the partially sighted, that may come into special education, through your States and your Federal Government program. In my opinion, it would be a separate program.

Mr. FOGARTY. That answers my question.

You think it would be very good legislation?

Mr. DAVIS. I think it would be desirable. Yes; I do.

Mr. FOGARTY. Thank you very much. I think you do a very good job.

What did you ask the Bureau of the Budget for?

BUDGET CUT BY BUREAU OF BUDGET

Mr. KELLY. The Printing House asked for a total of \$33,000 more than was included in the President's budget. All of it related to the Advisory Committee and related services.

Mr. DAVIS. It related to the consultants also.

Mr. FOGARTY. Do you want to say something about this, Mr. Davis?

Mr. DAVIS. Well, Mr. Chairman, this year the Printing House is carrying additional costs that are not financed through the Federal appropriation. The reason we are carrying it is the fact that when the appropriation was first passed, it was late in the year, late in September or October. We could not find proper qualified personnel to fill these assignments, so we turned back in that year, some of the funds because we did not have personnel. Now, we have a complement of qualified personnel to meet this need in the field, so we are carrying the costs for the moment.

I do not know how long we would be willing to. It would be up to my Board of Trustees, of course; and not the ex officio trustees. It would be the administration at the Printing House.

We are convinced that it is a service that is badly needed. We have not had it in the past. As a result of not having had it, I am sure we have gotten a lot of criticism, not because we were not in a position to do it, but because we were not getting the help from the people in the

field. They did not have committees that could come to us. They did not have funds to meet. We did not have funds to pay a consultant to come and meet with the committee so that they would be helpful in providing people in the field with the materials they needed.

It is my hope that the Bureau of the Budget will understand and see the real need and the contribution and help that this type of help will be to the Printing House. Let me say this: when you are providing these additional administrative funds, it enables us to keep from increasing the cost of the materials. These funds—\$41,000—have made it possible for us not to increase our cost of materials to the blind children, because these funds do not become a part of our operations and the production costs of the items we supply. Otherwise it would have to.

Mr. FOGARTY. I think that is a good point.

Mr. DAVIS. It is a service that is badly needed, and it would mean much to the education of the blind, and the success of that education.

Mr. FOGARTY. I cannot understand the Bureau of the Budget cutting you this amount.

Mr. Denton?

Mr. DENTON. I was very surprised; some years ago, I saw children at the Blind Institution in Indianapolis playing basketball.

Mr. DAVIS. Yes. Well, that is quite possible, and they enjoy that, too. It is possible, even for a blind person to participate in that, even a blind child; because we are developing at the moment a basketball with a bell inside it. Now they can play with it, and they can pitch at the basket. We also have a sound at the backboard, so they can pretty well determine the area in which the basket is located.

They get a big kick out of pitching baskets. They keep up with basketball, football, and other sports across the Nation. This is just one of the things in the way of an aid that we are producing in our tangible apparatus department.

SOURCES OF FUNDS

Mr. DENTON. Now, the Printing House for the Blind is a private charity?

Mr. DAVIS. It is a nonprofit institution.

Mr. DENTON. It was organized in 1858?

Mr. DAVIS. It was organized in 1858, yes.

Mr. DENTON. The Government has been making contributions to it for years, but you still have income from other sources, such as private charities?

Mr. DAVIS. Well, they have not made a contribution to the Printing House in my opinion. They make an appropriation available to the Printing House, for us to use in providing educational material for the blind children in this Nation. Every dollar, except this administrative allowance of \$41,000 that we are talking about, is allocated on our books to the school.

Mr. DENTON. I am not talking about the Government appropriation.

Mr. DAVIS. Yes.

Mr. DENTON. You do have money from private charity?

Mr. DAVIS. Yes, we get funds from private sources, such as the Reader's Digest fund and Newsweek; those are contributions to the blind.

Mr. DENTON. And do the States contribute anything to you?

Mr. DAVIS. No, they do not.

Mr. KELLY. They may purchase some of their materials, over and about their quota allocation, from the Printing House.

Mr. DAVIS. Yes.

Mr. KELLY. It is not a very large amount.

Mr. DAVIS. But that is not a contribution; they are merely buying the material.

Mr. DENTON. Do you make recordings for phonographs?

Mr. DAVIS. We produce about 35,000 or 40,000 records a week for the blind of this Nation, and most of that work is done through the Library of Congress program that the chairman was asking me about.

Mr. DENTON. The Library of Congress does it, or you do it?

Mr. DAVIS. It is through their appropriation but we handle the production of the records.

Mr. DENTON. You do the work.

Mr. DAVIS. Yes.

Mr. DENTON. Through their appropriation?

Mr. DAVIS. Yes, on a nonprofit basis. Yes. We are the largest producers of recorded materials, tangible apparatus, and braille materials in this Nation. We print, also, about 80-some magazines on a nonprofit contract basis.

Mr. DENTON. Especially since your institution is in the neighborhood of the district I represent, since I represent the district right across the river from you, I am very proud of your institution and the work you are doing.

I want to congratulate you on it.

Mr. DAVIS. Thank you. It is very satisfying work.

Mr. DENTON. I want to get over to see your new building.

Mr. DAVIS. We have a very wonderful plant which we are very proud of and, as I say, it has been made available through contributions over the years. We never used any Federal funds for the building program at all.

Mr. FOGARTY. Mr. Lesinski.

ACCOUNTABILITY OF FUNDS

Mr. LESINSKI. What is your total budget?

Mr. DAVIS. The total budget annually, our request this year is about—

Mr. LESINSKI. I am talking about, what is your total capital outlay?

Mr. DAVIS. Perhaps \$2 million—\$2¼ million.

Mr. LESINSKI. Does the General Accounting Office go over your books?

Mr. KELLY. No, sir. Mr. Lesinski, this is a nonprofit organization which we support through this appropriation which produces educational materials for the States. Every year a certified public accounting firm makes an audit for the Printing House of all of its operations. This firm gives us a certified statement that the funds

appropriated by the Federal Government under this act have been used for the purposes for which they have been made available, that they went to the States in accordance with the formula prescribed, and that none of the funds were used for the purpose of construction or equipping of the buildings.

Mr. DAVIS. We also submit our records to the Department annually.

Mr. LESINSKI. But you do have an annual outlay roughly of about \$21½ million?

Mr. DAVIS. That is right. It is largely done by contract, and is done on a nonprofit basis. The Library of Congress is a large source of funds, as are various religious magazines. We have the production facilities, and the various churches make their publications available to the blind of the Nation.

Mr. LESINSKI. How much will Congress give you every year?

Mr. DAVIS. It may approach \$400,000 to \$500,000, annually.

Mr. LESINSKI. The contributions amount to about a million and a half? A little less?

Mr. DAVIS. Now, contributions and our volume of work are two different things. Contributions as a rule come to us to provide the Reader's Digest and Newsweek. We have been doing the Reader's Digest since 1938—recorded editions—and that is the only thing we raise funds for—the Reader's Digest and Newsweek. When we started doing the Reader's Digest, they realized they were pushing us out of our facilities, so they permitted us, in our fund raising efforts, to give the general public an opportunity to designate whether their contribution would be used to produce a recorded edition of the Digest or a braille edition or whether it could be used for expanding the Printing House facilities. This designation from the general public, for additional facilities for the Printing House and for meeting the needs for the blind of the whole Nation, is where we have gotten our funds.

Those are contributions, but when someone contracts with us on a nonprofit basis, to produce their magazine for them, that really is not a contribution. They are getting a product, but on a nonprofit basis.

Mr. LESINSKI. Your total outlay, then, is about \$21½ million?

Mr. DAVIS. That is right. That is for producing the Reader's Digest, Newsweek, all of our magazines and materials under the Federal appropriation, all on a nonprofit basis.

USE OF COMPUTER TO PRODUCE BOOKS IN BRAILLE

Mr. LESINSKI. You mentioned computers. You have to go to New York. Is that a special type of computer they have in New York?

Mr. DAVIS. It is a 704 or 709 computer, which costs in the millions. This is a great thing to the Printing House. When we get this, it is going to mean a lot to us because we are not going to have to have trained stereograph operators in the future in large numbers. We will have to have some specialists to work with it.

But what we will do, we will assign a book to a key punch operator; they will key punch a book; and then it will go through a 704 or 709 computer and come out on cards, grade 2 braille or on tapes, either one. We have machines to produce both and then it will automatically make plates. That is the system.

Mr. LESINSKI. I follow you. In other words, the computer reproduces the book in braille?

Mr. DAVIS. That is right.

Mr. LESINSKI. It reproduces the text of the book and you in turn turn it—

Mr. DAVIS. Into grade 2 braille.

Mr. LESINSKI. You in turn put that into a braille book?

Mr. DAVIS. That is right. And that is going to help us increase our production in the future.

It is a great thing; there has been a wonderful cooperation between IBM and us in this respect.

PERMANENT APPROPRIATION

Mr. LESINSKI. You have a \$10,000 permanent appropriation. Where did that come from?

Mr. DAVIS. That was an original appropriation many, many years ago—a permanent appropriation.

Mr. LESINSKI. It comes from what source?

Mr. DAVIS. From an investment that Congress made, I believe, at the time.

Mr. LESINSKI. Investment in what?

Mr. DAVIS. I do not know what the investment was. But I think I am right, Mr. Kelly, when I say that investment was changed, and it was made a permanent appropriation.

Initially, it was an investment.

Mr. KELLY. They got the benefit on the investment. The Congress then changed it to a permanent appropriation. Every year, the Treasury makes this check out to the Printing House.

Mr. LESINSKI. Something like \$15 billion annually is a permanent appropriation. Is this part of the permanent appropriation?

Mr. KELLY. Yes, sir. We have three of them.

Mr. DAVIS. Yes, sir. It is part of the Federal program. I mean, it helps provide books. It did, initially.

Mr. LESINSKI. You do not have to request this?

Mr. DAVIS. No, sir; we do not have to request this.

Mr. LESINSKI. It is automatic?

Mr. DAVIS. That is right.

Mr. LESINSKI. You have three of them?

Mr. KELLY. Three, in our Department.

Mr. LESINSKI. What are the other two?

Mr. KELLY. One is for the schools of agriculture and the mechanical arts, and the other one is for vocational education.

The schools of mechanical arts have \$2,550,000 and for vocational education, \$7,161,000, as I recall.

Mr. LESINSKI. You are making available 40,000 additional square feet.

Mr. DAVIS. That is what we did make. It is already available; we are moving into it.

Mr. LESINSKI. First of all, how much storage space have you got now?

Mr. DAVIS. I suppose, in all, we have about 150,000 square feet of space: production, storage, and so forth.

Mr. LESINSKI. Is this a regular warehouse or what kind of storage?

Mr. DAVIS. Well, it is a warehouse, but it is prepared for the purpose of storing books. It is well equipped.

Mr. LESINSKI. Thank you.

COMPRESSED TIME RECORDINGS

Mr. FOGARTY. We were told, a few days ago, about research in speeding the learning process through speeded up recordings. What is it that is called?

Mr. DAVIS. It is compressed time recorded listening, whereby I would say the blind can listen and comprehend about four times as fast as they can read braille. They can listen much faster than they can on our present type of equipment.

Now, we were not eligible to request, through the U.S. Office of Education, funds for research for this project. So the University of Louisville, our municipal university, and our Director of Educational Research, helped prepare this proposal, and we sent one of our staff members over to the university to work on it. It is being done over at the University of Louisville.

Mr. FOGARTY. You are cooperating with them?

Mr. DAVIS. Oh, yes. Yes.

Mr. FOGARTY. It is very expensive, I understand.

Mr. DAVIS. Yes, it has been, but we see a great future in it.

Mr. FOGARTY. You do?

Mr. DAVIS. Yes. We do.

Mr. FOGARTY. Do you have a recording machine that has been developed at this project in Louisville?

Mr. DAVIS. The one we had, I think, perhaps may be the only one in this country. It is made in Germany. We are doing research now. I believe this machine came from Germany.

Mr. FOGARTY. I see.

Mr. DAVIS. We are researching it for compressed speech time in our Nation.

Mr. FOGARTY. To see if it can be manufactured here?

Mr. DAVIS. It is applicable to the talking book program; the compressed type is what we are looking for.

Mr. FOGARTY. Do you think it shows some promise?

Mr. DAVIS. Oh, yes, indeed. My Department of Research feels the same about it.

Mr. FOGARTY. Thank you very much.

We will reconvene at 1:15 p.m.

WEDNESDAY, MARCH 20, 1963.

AFTERNOON SESSION

FREEDMEN'S HOSPITAL

WITNESSES

DR. CHARLES E. BURBRIDGE, SUPERINTENDENT
 DR. R. FRANK JONES, MEDICAL DIRECTOR
 HOUSTON A. BAKER, ASSISTANT SUPERINTENDENT
 JOHN W. HOLLAND, ACTING BUDGET AND FISCAL OFFICER
 DR. LINDEN E. JOHNSON, DEPUTY CHIEF, DIVISION OF HOSPITALS,
 PUBLIC HEALTH SERVICE
 LEO JOEL, CHIEF, FINANCIAL MANAGEMENT BRANCH, DIVISION
 OF HOSPITALS, PUBLIC HEALTH SERVICE
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	3,372	3,844	4,217
Positions other than permanent.....	490	605	672
Other personnel compensation.....	515	593	656
Total personnel compensation.....	4,377	5,041	5,545
12 Personnel benefits.....	263	298	329
21 Travel and transportation of persons.....	2	2	2
22 Transportation of things.....	2	1	2
23 Rent, communications, and utilities.....	153	157	161
24 Printing and reproduction.....	19	7	7
25 Other services.....	193	61	63
Services of other agencies.....	17	17	17
26 Supplies and materials.....	649	681	741
31 Equipment.....	203	75	86
42 Insurance claims and indemnities.....	6		
Subtotal.....	5,884	6,340	6,952
Deduct quarters and subsistence charges.....	93	103	110
Total obligations.....	5,791	6,237	6,842

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	711	869	881
Full-time equivalent of other positions.....	165	208	227
Average number of all employees.....	863	983	1,070
Number of employees at end of year.....	892	1,060	1,095
Average GS grade.....	5.0	4.9	4.9
Average GS salary.....	\$5,156	\$5,245	\$5,223
Average salary of ungraded positions.....	\$4,120	\$4,244	\$4,140

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Inpatient services:			
(a) General hospital.....	3,287	3,856	3,829
(b) Tuberculosis hospital.....	486	513	520
(c) Full-pay pavilion.....	189	233	614
2. Outpatient services.....	519	513	522
3. Training program.....	639	725	801
4. Administration.....	550	523	556
Total program costs, funded ¹	5,670	6,363	6,842
Change in selected resources ²	121	-127	-----
Total obligations.....	5,791	6,237	6,842
Financing:			
Advances and reimbursements from non-Federal sources			
(—) ³	-2,173	-2,335	-2,962
Unobligated balance lapsing.....	118	7	-----
New obligational authority (appropriation).....	3,736	3,909	3,880

¹ Includes capital outlay as follows: 1962, \$87,000; 1963, \$202,000; 1964, \$86,000.² Selected resources as of June 30 are as follows:

	1961	1962 ad- just- ments	1962	1963	1964
Stores.....	86	-----	83	83	83
Unpaid undelivered orders.....	76	-3	196	69	69
Total selected resources.....	161	-3	279	152	152

³ Reimbursements from non-Federal sources are derived from fees charged to patients (32 D.C. Code 318).

Mr. FOGARTY. The committee will come to order.

We have before us Freedmen's Hospital.

Dr. Burbridge, are you ready?

Dr. BURBRIDGE. Yes, sir.

Mr. Fogarty, I would like to introduce Mr. Holland before we start. He is acting budget officer at the hospital and replaces Mr. Baird who has been coming up here for many years.

I have a brief summary statement that I would like to read.

GENERAL STATEMENT

Freedmen's Hospital during its 98 years of existence has carried out its functions under governmental control.

MERGER WITH HOWARD

In the first session of the 87th Congress, legislation was passed authorizing the transfer of the hospital from Federal ownership to Howard University.

Though the actual transfer to Howard University has not as yet taken place, it is anticipated that the hospital under the university's direction will continue to develop, providing improved patient services through modern facilities and expanded training programs for medical and paramedical personnel.

In developing these estimates, the future transfer of the hospital to the university was given full consideration so that no aspect of this budget would be in conflict with the prospective role of Freedmen's Hospital as a university owned and controlled institution.

THE 1964 BUDGET

The 1964 estimates propose an increase of \$605,000 in total program level, representing a net decrease of \$22,000 in appropriated funds and an increase of \$627,000 in reimbursements from non-Federal sources.

The increase in total available funds is made up principally of built-in or mandatory items which amount to \$500,727 and are needed to cover the costs of the pay bill in 1964, the first full year of operation of the pavilion; pay in excess of the 52-week base; and within-grade promotions and FICA contributions for employees on reimbursable detail.

The balance is for recommended program changes which request authority for:

- (1) Twelve new positions to improve staffing;
- (2) Expansion of teaching programs in medicine and nursing; and
- (3) Several small items of increase related to the proposed program increases.

The hospital is gratified that no increase in appropriated funds for 1964 is necessary since the total recommended increase in available funds will, if authority is granted, be financed from increased revenue from non-Federal sources.

In closing this brief statement, I would like to thank the committee on behalf of the hospital for the continuing interest it has shown in Freedmen's Hospital.

Mr. FOGARTY. Thank you. We will place your longer, prepared statement in the record.

(The prepared statement follows:)

INTRODUCTION

Mr. Chairman and members of the committee, Freedmen's Hospital, since its inception in 1865, as 1 of the original 13 installations of the Bureau for the Relief of Freedmen and Refugees, has been a federally operated installation. During this period, 98 years, it has been under the supervision of the War Department, the Department of Interior, District of Columbia, Federal Security Agency, and the Department of Health, Education, and Welfare. The immediate supervision of the hospital's activities has been delegated by the Secretary of Health, Education, and Welfare to the U.S. Public Health Service.

Freedmen's has developed, in its near century of existence, into a hospital rendering service to a representative portion of the population of the District of Columbia and the surrounding counties of Maryland and Virginia. In addition to its patient services, research, and public health functions, Freedmen's Hospital also serves as the teaching hospital for the Howard University College of Medicine.

In the first session of the 87th Congress, legislation was passed authorizing the transfer of Freedmen's Hospital from the Department of Health, Education, and Welfare to Howard University and approving construction of a new general hospital to replace the presently old and outmoded facility. Though the actual transfer of Freedman's Hospital to Howard University has not been effected, much closer liaison has already been established with the university pending the effective date of the transition. It is anticipated that under university control and ownership the hospital will develop into a institution that the Federal Government and the university will be proud to display as a symbol of advanced

thinking in the care of patients, research, and a training center for medical and paramedical personnel.

SOURCE OF FINANCING

The financing of the programs at Freedmen's Hospital is made possible by funds received from the following sources:

1. Federal Government, through direct appropriation.
2. District of Columbia government and other legal jurisdictions for the care of their indigent patients.
3. Individuals, through direct payment or through third party plans.

PROGRAM FOR 1964

The 1964 estimates propose an increase of \$605,000 in total available funds, representing a net decrease of \$22,000 in appropriated funds and an increase of \$627,000 in reimbursements from non-Federal sources. These additional funds will be used in the following manner:

BUILT-IN INCREASES

In fiscal year 1964 there are four built-in or mandatory increases totaling \$500,727, for which the hospital is requesting obligational authority. Specifically, these are: (a) The additional cost of the pay increase in 1964, \$91,300; (b) full-year operation of the full-pay pavilion, \$380,700; (c) pay in excess of 52-week base (extra 1.4 days), \$22,422; (d) and within-grade promotions and corresponding FICA contributions for employees on reimbursable detail, \$6,305.

PROGRAM INCREASES

The hospital is requesting a total of \$124,157 in program increases made up of the following items:

1. Increased staffing

The hospital is requesting \$13,400 for three additional nursing service positions in a continuation of the program begun in 1961 designed to bring nursing service staffing in the general hospital up to a level recommended by the Public Health Service. A total of 90 positions has been approved by this committee up to this date. The 3 positions requested, if allowed, will bring the hospital's staffing within 11 positions of the U.S. Public Health Service's original recommendations of an additional 104 positions.

An amount of \$29,500 for seven positions is being requested for clerical personnel to meet workload demands in three areas:

(a) Five clerk-typist positions have been filled by Howard University on a temporary basis in the interest of improving the recording of medical charts, which are not only vital to the care of patients but also serve as a necessary adjunct to the teaching of medical students. The funds requested, if allowed, will permit the hospital to assume its rightful responsibility. (b) Funds are requested for one additional clerk-stenographer for the clinical laboratories to permit the hospital to keep abreast of the ever-increasing volume of pathological reports. (c) Funds are also requested for a full-time stores clerk in the dietary department to assist in the maintenance of a proper record of the large volume of foodstuff that is purchased, stored, and issued.

An increase of two switchboard operators, at a cost of \$7,500, is being requested. The hospital presently has eight telephone operators who, in addition to manning the switchboard, must also serve on rotation as receptionists to visitors coming to the hospital. With the current high number of calls and the expected increase in volume as the pavilion program becomes fully operative, additional operators are vitally needed to provide the necessary service.

2. Expansion of teaching programs

The hospital is requesting an additional \$68,420 for the expansion of existing teaching programs in medicine and nursing in order to meet more nearly its potential for training students in these essential fields. Included in this amount is \$57,338 for 12 medical residents, which sum represents the funds required to finance the second phase of a 3-year program to increase the total resident training program by 36 positions. The program was begun in 1963 at which time 12 positions were allowed by this committee. Approval of this request will bring the total to 24.

The balance of the \$68,420 requested in this category amounts to \$11,082 and if allowed will permit an upward adjustment of 7.6 man-years in enrollment of student nurses.

3. *Other small increases*

An additional amount of \$5,337 is being requested for the following items of increase:

- (1) Increased subsistence requirements due to higher student nurse requirements, \$2,546.
- (2) Increased supply requirements due to extra day in 1964, \$713.
- (3) Increased equipment purchases and related transportation costs, \$2,078.

CONCLUSION

In developing the estimates for Freedmen's Hospital for 1964, the future transfer of Freedmen's Hospital to Howard University was an important consideration. The programs contained in the budget before you will in no way conflict with the future role of Freedmen's Hospital as a university owned and controlled installation.

I wish to take this opportunity of thanking this committee, Mr. Chairman, for the continuing interest it has shown in the development of Freedmen's Hospital.

NEW FULL PAY PAVILION

Mr. FOGARTY. The appropriation for 1963 is \$3,909,000 and the request for 1964 is \$3,880,000, a decrease of \$29,000, however, due to full year operation of the new full pay pavilion, reimbursements are expected to go up \$627,000.

Dr. BURBRIDGE. That is right.

Mr. FOGARTY. The main part of the increase for 1964 is \$380,700 for increased cost of operation of the full pay pavilion for the full year.

What is the current status? Is it in full operation?

Dr. BURBRIDGE. Yes, sir, I think you could say we are in full operation.

As a matter of fact, we have exceeded our expectations in this area.

Mr. FOGARTY. What is this pay pavilion?

Dr. BURBRIDGE. We had a floor in the building which was formerly called the T.B. Annex—

Mr. FOGARTY. I remember.

Dr. BURBRIDGE. We had a floor that was vacant for many years and this committee on recommendation of the Department and the Bureau of the Budget was kind enough to appropriate funds to activate this floor with 50 medical and surgical beds.

I am very happy to report that this has turned out very well and is one of the best investments we have made in community health.

The cost is minimal.

Mr. FOGARTY. What is the estimated annual cost of operation?

Dr. BURBRIDGE. Of the pavilion?

Mr. FOGARTY. Yes.

Dr. BURBRIDGE. The estimated annual cost of operations is \$613,700.

Mr. FOGARTY. Will it be fully self-supporting?

Dr. BURBRIDGE. Yes, sir, we expect to obtain reimbursements from non-Federal sources to completely finance the pavilion.

NEW POSITIONS

Mr. FOGARTY. You are budgeting for 12 new positions for 1964. Will you put a breakdown in the record?

Dr. BURBRIDGE. Yes, sir.

(The information follows:)

The 12 new positions being requested

Position	Grade	Number
Nursing service: Nursing assistant.....	GS-3.....	3
Medical records:		
Supervisor, typist pool.....	GS-5.....	1
Clerk-stenographer, typist pool.....	GS-4.....	4
Clinical laboratories: Clerk-stenographer.....	GS-4.....	1
Dietary department: Stores clerk.....	GS-3.....	1
Administration: Switchboard operator.....	GS-3.....	2
Total.....		

MERGER WITH HOWARD

Mr. FOGARTY. Are there any unresolved problems from your point of view in connection with the merger with Howard?

Dr. BURBRIDGE. No, sir; none.

Mr. FOGARTY. They have all been resolved.

Dr. BURBRIDGE. From my point of view.

Mr. FOGARTY. You are speaking for Freedmen's, are you not?

Dr. BURBRIDGE. Yes, sir.

BUDGET CUTS

Mr. FOGARTY. You asked for \$4,764,000. The Department cut your request over \$500,000 and you got another cut of three hundred-some-thousand dollars from the Bureau of the Budget.

That is quite a cut.

Will you put in the record a breakdown of this cut and why you thought the amount requested was needed and what might happen if you do not get this amount restored?

Dr. BURBRIDGE. Yes, sir.

(The information follows:)

FREEDMEN'S HOSPITAL, 1964 PRELIMINARY ESTIMATES AND BUREAU OF THE BUDGET ALLOWANCES

1964 agency request.....	\$4,764,000
1964 department allowance.....	4,202,000
Difference (+) or (-).....	-562,000
Bureau of Budget allowance.....	3,880,000
Difference (+) or (-).....	-322,000
Total difference (+) or (-).....	-884,000

BRIEF SUMMARY OF DEPARTMENT ACTION

Three nursing service positions and 45 positions in other areas, \$276,000; various items of equipment, \$55,000; employee training, \$28,000; proposed 1963 supplement in base, \$95,000; change in full pay pavilion billing rate, \$108,000; subtotal, \$562,000.

BRIEF SUMMARY OF BUREAU OF BUDGET ACTION

Twenty positions (including 19 nursing positions) \$91,000; equipment, \$23,000; adjustment of student nurse stipend, \$5,000; increased reimbursements, \$203,000; subtotal, \$322,000; grand total reduction, \$884,000.

STATEMENT OF REDUCTION MADE BY DEPARTMENT AND BUREAU OF BUDGET IN ORIGINAL BUDGET REQUEST

The above cuts, which were effected by the Department and the Bureau of the Budget, were principally in personal services and equipment.

The additional positions requested were to improve operations in a number of important areas such as nursing service, food service, building maintenance, and various business activities in the hospital. Without these accessions the hospital will continue to attempt improvements within the framework of existing staff, which numerically still needs strengthening.

The request for equipment, in accordance with the hospital's new equipment purchasing policy which gives consideration to the prospective building program, entailed, for the most part, the replacement of old obsolete articles and apparatus. Inability to purchase these pieces of equipment will require the hospital to continue the old items in use until such time as funds can be obtained to effect replacement.

Mr. FOGARTY. Thank you very much.

GALLAUDET COLLEGE

WITNESSES

DR. ALBERT W. ATWOOD, CHAIRMAN OF THE BOARD OF DIRECTORS

DR. LEONARD M. ELSTAD, PRESIDENT

DR. GEORGE DETMOLD, DEAN OF THE COLLEGE

SIDNEY B. COHEN, BUSINESS MANAGER

GLEN HARVEY, ASSISTANT BUSINESS MANAGER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1, 271	1, 441	1, 678
Positions other than permanent.....	77	69	73
Other personnel compensation.....	5	4	4
Total personnel compensation.....	1, 352	1, 514	1, 755
12 Personnel benefits.....	94	127	144
21 Travel and transportation of persons.....	10	7	11
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	44	52	52
24 Printing and reproduction.....	2		
25 Other services.....	50	61	62
26 Supplies and materials.....	284	371	432
31 Equipment.....	34	77	81
Subtotal.....	1, 872	2, 212	2, 539
Deduct quarters and subsistence charges.....	22	21	21
Total obligations.....	1, 850	2, 191	2, 518

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	225	244	262
Full-time equivalent of other positions.....	13	11	11
Average number of all employees.....	208	243	268
Number of employees at end of year.....	225	244	262
Average salary of ungraded positions.....	\$5,952	\$6,106	\$6,502

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. General administration.....	116	158	193
2. Resident instruction and departmental research:			
(a) Gallaudet College.....	851	965	1,100
(b) Kendall School.....	137	161	181
3. General library.....	82	86	93
4. Operation and maintenance of physical plant.....	340	389	460
5. Auxiliary services and noneducational expense.....	324	432	491
Total obligations.....	1,850	2,191	2,518
Financing:			
Advances and reimbursements from non-Federal sources ¹			
(—).....	—594	—733	—821
New obligational authority (appropriation).....	1,256	1,458	1,697

¹ Advances and reimbursements from non-Federal sources are from tuition in part from the District of Columbia under the District of Columbia Code, title 31, sec. 1008, and other tuition fees.

CONSTRUCTION*Object classification*

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
21 Travel and transportation of persons.....	—	1	—
24 Printing and reproduction.....	2	57	100
25 Other services.....	86	265	336
26 Supplies and materials.....	19	15	22
31 Equipment.....	100	237	135
32 Lands and structures.....	218	1,012	1,790
Total obligations.....	424	1,587	2,383

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Design, supervision, etc.....	79	297	144
2. Construction.....	331	1,096	2,144
3. Major repair and preservation of buildings and grounds.....	14	194	95
Total obligations.....	424	1,587	2,383
Financing:			
Unobligated balance brought forward (—).....	—345	—522	—
Unobligated balance carried forward.....	522	—	536
New obligational authority (appropriation).....	601	1,065	2,919

Mr. FOGARTY. We will take Gallaudet College next. We are glad to see Mr. Cohen again.

We have had experience with him in other capacities, and we think you have a good business manager.

Go ahead, Dr. Elstad.

GENERAL STATEMENT

Dr. ELSTAD. With the committee's permission I will submit my detailed statement for the record and read my summary statement.

Gallaudet College is the only institution of higher learning in the world devoted exclusively to the education of the deaf.

Since its foundation in 1857, it has been supported in part by annual Federal appropriations.

The college has been accredited by the Middle States Association of Colleges and Secondary Schools since 1957, largely as a result of the expansion and improvement of curriculum, staff, and facilities made possible by the support and encouragement of the executive branch and Congress in recent years.

Gallaudet now offers to deaf students a full undergraduate education in the liberal arts and sciences.

In addition, college preparatory studies are offered to deaf students who have not been able to obtain a full senior high school education in their home States.

Nursery education for deaf children is provided in the college's hearing and speech center; primary and secondary education in the Kendall School, which serves as a laboratory school in the college's graduate program for training teachers of the deaf.

Supporting all its activities is a growing program of research into deafness and the problems it imposes. Research projects, supported largely by grants from Federal agencies and some outside foundations, are conducted in such fields as audiology, communication, linguistics, education, psychometrics, and sociology.

BUDGET REQUEST

The college is requesting the sum of \$1,697,000 for continuing operations and expansion.

This amount, which is an increase of \$217,000 over the 1963 appropriation, will provide for six new faculty positions, two technical positions, four residential hall supervisory positions, two administrative positions, and four maintenance positions and increased educational, administrative, maintenance, and auxiliary services, supplies and equipment costs.

These increases are requested principally for an increasing enrollment, and for the general improvement of essential instructional and service programs of the college and the Kendall School.

CONSTRUCTION

The sum of \$2,919,000 is requested to further the planned program of renovation and repair, critically needed to preserve the older buildings utilized to maximum capacity; provide funds for construc-

tion of two preparatory dormitories; and provide planning funds for one college dormitory.

Need for additional housing and dormitories has been clearly demonstrated by recent enrollment increases and carefully developed projections of these increases which are set forth in the justifications.

Mr. FOGARTY. We will put that in the record.

(The material referred to follows:)

Projections of enrollment for the next 5 years are given in the table below. Reasons for this growth are to be found in the rising enrollments in the schools which have traditionally supplied the college, in the new sources recommending the college to secondary school graduates, and in the increased attractiveness of a Gallaudet education brought by accreditation in 1957. The number of deaf college-age persons is rising as the general population rises (according to the best estimates available). Projections assume that deaf college-age students will attend Gallaudet in the same proportion that they do now.

Dormitory capacity at present is 500. In emergencies, 3 students can be placed in rooms designed for 2 and a total of 700 students accommodated on a temporary basis. But such a procedure is educationally unsound, and the college would be severely criticized for permanently overloading its dormitories.

Projections of enrollment and dormitory capacity

	Actual, 1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
Enrollment:						
Men.....	270	342	396	496	551	598
Women.....	209	251	292	356	420	463
Total.....	479	593	688	852	971	1,061
Capacity:						
Men.....	250	250	250	450	650	650
Women.....	250	250	250	450	450	450
Total.....	500	500	500	¹ 900	² 1,100	1,100

¹ Assumes availability of 1 men's and 1 women's dormitory for which construction funds are requested.

² Assumes availability of additional men's dormitory for which planning funds are requested.

Projections refer to fall enrollments, at the time the college opens, rather than to full-time enrollments at the close of the year after dropouts have been subtracted. Projections are based on a 10-percent annual increase in the preparatory class and a 37-percent dropout rate from the preparatory year through the senior year.

The above table indicates that:

(1) There will be a shortage in 1964-65 of 246 spaces for men and 106 spaces for women unless two new dormitories are available for occupancy at that time. Accordingly, we are requesting an amount in 1964 for constructing the two buildings which are presently being planned with funds appropriated in the current year.

(2) There will be a shortage of 101 spaces for men in 1965-66 unless a new men's dormitory is ready for occupancy at that time. Assuming that this building will require 2 years to plan and construct, planning funds are included in the 1964 budget.

PREPARED STATEMENTS

Mr. FOGARTY. We will place your more detailed prepared statements in the record.

(The statements referred to follow:)

SALARIES AND EXPENSES, GALLAUDET COLLEGE

Gallaudet College is the only institution in the world devoted exclusively to the higher education of the deaf. It was established by act of Congress in 1857 and was authorized by Congress in 1864 to grant degrees. Public Law 420

(83d Cong.) revised its charter and defined its relationship with the Federal Government. It has always been supported largely by annual Federal appropriations. For the fiscal year 1964, \$1,697,000 is requested.

ACCREDITATION

Gallaudet College was first accredited (by the Middle States Association of Colleges and Secondary Schools) on May 1, 1957, after many years of effort toward this goal. Three annual progress reports required by the association as a condition of accreditation have been approved. In 1967 the college will be evaluated again.

ENROLLMENT

Fall enrollment rose from 493 students in September 1961 to 604 in 1962, an increase of 16.7 percent. Projections of enrollment indicate a continuing rise, to approximately 1,200 students within the next 5 years.

PROGRAM

A small college of liberal arts and sciences, Gallaudet College offers the courses of study common to such institutions. In addition, it operates a preparatory department for the great majority of its new students, who have not been able to secure a full senior high school education in their home States. A graduate department of education, established in 1891, supplies teachers to schools for the deaf. Affiliated with this department is a laboratory school which offers primary and secondary education to deaf children, chiefly from the District of Columbia. Deaf children of nursery school age are given preschool education in the college's hearing and speech center.

Although the education of the deaf presents uniquely difficult problems, Gallaudet endeavors continually to improve the quality of its offerings. A new curriculum for preparatory students has significantly improved their achievement in mathematics; similar improvements are being sought in English and science. The college department of mathematics is renovating its curriculum, through inservice training and attendance at summer and yearlong institutes, in order to keep pace with the rapid developments in its field. Faced with a rapidly growing enrollment, the college faculty is reviewing all its offerings, to make improvements in the liberal education given all students and to accelerate the progress of those who are exceptionally well prepared.

RESEARCH

Research into deafness is one of the purposes of the college, as they are defined in the bylaws of its governing board. No other center in the world has Gallaudet's opportunities for research in this field. These opportunities are a population of deaf people of all ages; access to other populations of the deaf throughout the United States; and a competent and enthusiastic faculty eager to bring the resources of their separate disciplines to bear upon the problems of the deaf students in their classes.

The college operates three research offices: institutional, linguistics, and psychological. The counseling center and the hearing and speech center normally conduct research in addition to their other activities. A faculty committee on research stimulates and coordinates research projects. There have been 4 projects completed in the past year; 11 are in progress, including 4 in cooperation with other institutions or agencies. Most of the college's research is supported by agencies and foundations. A computing center, supporting much of the ongoing research, has been established with the aid of a grant from the National Science Foundation.

REQUEST FOR INCREASED FUNDS IN FISCAL 1964

The total increase for 1964 is \$305,077, and the increases are requested in the following categories:

1. Strengthening of instruction, counseling, and research program—12 positions: An increase of \$73,200 is requested for an associate professor of biology, an instructor of English, an assistant professor of romance languages, an associate professor of psychology, an assistant professor of psychology, an instructor in speech, a technician for the department of physics, a

technician for the department of visual aids, and four residential hall supervisors. Included in this amount is \$3,700 for two part-time positions.

2. Two additional administrative positions are requested: A financial clerk for the business office and a messenger for use of all departments—in the total amount of \$9,100.

3. Four maintenance positions are requested in the amount of \$22,000: A mechanical equipment maintenance man, a general maintenance man, an automobile mechanic, and a fireman.

4. Step and rank increases along salary scales for all employees: An amount of \$35,290 is requested to provide increases for the established faculty salary scale and to cover promotions from one academic rank to another. An amount of \$41,604 is requested to provide for revision of the present faculty scale and \$17,680 is requested to similarly cover increases for job classifications which have been established for all other employees, other than faculty. The amount of \$20,000 is requested to provide revision of nonfaculty pay scale similar to those afforded Government employees by Public Law 87-793.

5. The sum of \$17,016 for related personal benefits is also included, based on the above-mentioned requests for new positions and salary increases.

6. An increase of \$3,525 is requested for travel and transportation of persons.

7. An increase of \$14,300 is requested for other services to provide for all activities, primarily for repairs made by outside contractors.

8. The sum of \$79,500 is requested for augmentation of allowances for administrative, educational, and auxiliary services; supplies, materials, and equipment. These estimates of increases are based on increasing enrollments and expansion of the physical plant. In addition, \$12,600 is requested for automotive equipment.

Increases requested for fiscal year 1964 are partially offset by nonrecurring costs in 1963 of \$40,738 and by an anticipated increase in reimbursements of \$88,077, primarily derived from tuition and fees related to increased enrollment.

CONSTRUCTION, GALLAUDET COLLEGE

CONSTRUCTION PROGRAM

Congress has approved a master development plan for the expansion of the physical plant and facilities at Gallaudet College. This plan has been developed with the dual aims (1) of providing more adequate facilities for all phases of the college program, and (2) of expanding the physical plant to accommodate an enlarged student body. Additions to the plan will be necessary in order to accommodate rapidly increasing enrollments.

The sum of \$10,421,000 has been appropriated for the building program to date. These appropriations made funds available for 10 major buildings, maintenance apartments, a maintenance building, athletic fields and stands and related equipment, an addition to the speech and hearing center, grading and outside services, and planning funds for 2 preparatory dormitories. In addition, \$125,000 was appropriated for special educational equipment, \$50,000 for landscaping of the campus, and \$492,000 for renovation and repair of older buildings on the campus.

CURRENT STATUS OF CONSTRUCTION PROGRAM

The current status of all stages of the program is as follows:

In stage 1 the women's residence hall and the physical activities-heating plant building have been completed and are in use.

In stage 2 the classroom-laboratory building (except for certain items of laboratory equipment) and the speech and hearing center and adjacent outside services, walks, and grading have been completed.

In stage 3 the cafeteria and service building and the men's residence hall have been completed and were occupied in September 1959. Contracts for the construction of the athletic fields and stands were completed in the spring of 1961.

Stage 4, which included construction of an auditorium, classroom, and dormitory buildings for Kendall School, maintenance group apartments and building, fieldhouse, and completion of roads, walks, and grading in that area have been completed. The 1962 appropriation provided for planning and construction of a speech and hearing center extension and planning for an arts center. Plans for the arts center at this date are approximately 50-percent complete and plans

for the speech and hearing addition are 75-percent complete. It is estimated at this time that both projects will be advertised for bids approximately July 1, 1963.

ALTERATION AND RENOVATION OF OLDER EXISTING BUILDINGS

In 1958 the college conducted a survey of the condition of the older buildings on the campus. Many of these buildings are structurally sound and suitable for preservation and can be adapted to plan an important, continuing part in the overall programs of the college.

Preliminary studies indicated that a full program of major repair, preservation, and renovation projects would require appropriations of \$700,000 to \$1 million. It is planned to approach these needs on a multistage basis.

In 1960 an appropriation of \$150,000 was made to initiate the first step in the renovation and repair program to existing buildings. This involved the College Hall (men's dormitory) with the business office on the first floor and interior work on the president's house. This work has been completed.

The 1961 construction appropriation provided for the sum of \$150,000 to initiate the second stage of the program of renovation and repair to existing buildings. As a result Fowler Hall (women's dormitory) and the Chapel Hall Building have been renovated and reoccupied.

The 1962 construction appropriation provided the sum of \$92,000 to initiate the third stage of the program of renovation and repair to existing buildings. This work is to be done to Kendall Hall, Dawes House, and exterior repairs to the president's residence. Work on this phase of the program is now well underway.

The 1963 construction appropriation of \$100,000 was made to cover the fourth stage in the program, which provides for renovation and repair of houses Nos. 2 and 3, which will be used as faculty residences, and residence No. 7, which will continue to be used as a dormitory. Also included in the above amount are funds for the relocation of the health department from house No. 4 to Chapel Hall. Plans for this stage of the program are now approximately 50 percent complete.

1964 REQUEST

The sum of \$95,000 is requested for 1964 to continue the program of renovation and repair of existing buildings and includes the following: residences Nos. 4, 5, 6, and 9, gatehouse, old gymnasium, wrestling gymnasium (former barn). The amount of \$2,680,000 is requested for construction of two preparatory dormitories (\$200,000 was provided in the 1963 appropriation for plans and specifications for these two dormitories) and \$144,000 for plans and specifications for one new college dormitory. Enrollment has grown faster than originally foreseen by the college's officials. The original master plan for construction envisioned an enrollment of 700 in the late 1960's. As now projected, enrollment will pass 700 in 1963, and will probably exceed 1,000 in 1966.

Concurrently, the college is initiating a study which would form the basis for a new master development plan to meet the physical facility needs of the college for the next decade.

INCREASE REQUESTED FOR 1964

Mr. FOGARTY. The appropriation for 1963, including the Pay Act supplemental is \$1,480,000 and the request for 1964 is \$1,697,000, an increase of \$217,000. In addition, reimbursements are expected to go up \$88,000—from \$732,000 to \$820,000.

Dr. ELSTAD. That is right.

RATE OF REIMBURSEMENT FOR D.C. STUDENTS

Mr. FOGARTY. Is all of the increase in estimated reimbursements due to the proposed increase from \$1,295 to \$1,500 in payments from the District of Columbia for students at Kendall School?

Dr. ELSTAD. That is the projected increase per student reflected in the language of the appropriation for "Salaries and expenses."

We are anticipating a larger collection of tuition, maintenance and fees in the college.

Mr. FOGARTY. How long has this rate been at \$1,295?

Dr. ELSTAD. About 7 years.

Mr. FOGARTY. Is there any objection to this increase?

Dr. ELSTAD. So far, no.

But beyond \$1,500 per student I think may be the limit at present.

Mr. FOGARTY. What is the actual cost per student?

Dr. ELSTAD. About \$2,400.

FACULTY PAY SCALE

Mr. FOGARTY. The supplemental request of \$22,000, and about \$61,000 of the increase for 1964, is for revision of your pay scale.

Dr. ELSTAD. That is right.

Mr. FOGARTY. How is it being revised and what is the basis of the revision?

Dr. DETMOLD. Our salaries are based on those paid in six of the small institutions in the New England and middle Atlantic areas.

Their salaries are reported biennially by the American Association of University Professors, and when our first salary schedule was established it was based on the average salaries paid in this group of six institutions. As their salaries have risen over the years, we have asked HEW, the Bureau of the Budget and the Congress for appropriate revisions in our own schedules.

Mr. FOGARTY. Have you had a problem in getting it brought up to these?

Dr. DETMOLD. Our average salary is nowhere near as high because we do not have nearly as many people in the top ranks as they do.

But we have been able to establish for each rank of the faculty the same minimum, maximum, and average amounts.

Mr. FOGARTY. Are they satisfactory?

Dr. ELSTAD. It seems reasonable.

NEW POSITIONS

Mr. FOGARTY. You are asking for 18 additional positions. Tell us why these are necessary and then put in the record a breakdown of each one and what they are expected to do and why they are necessary.

Just briefly tell us why you need these 18.

Dr. DETMOLD. Ten are faculty positions and they are needed almost entirely to accommodate an increasing enrollment, the balance are essential maintenance, clerical, and supervisory positions.

This is picture right down through the line. We are not asking for any new positions to establish new programs but just to take care of the influx of students coming into the college.

(The requested detailed statement follows:)

New positions requested, 1964

NONFEDERAL EMPLOYEES, UNGRADED POSITIONS

		<i>Annual salary</i>
General administration:		
Financial clerk, business office-----		\$5,200
Messenger-----		3,900
Subtotal (2)-----		<u>9,100</u>
Resident instruction and departmental research:		
A. Gallaudet College:		
Associate professor of biology-----		9,000
Instructor in English-----		6,000
Assistant professor of romance languages-----		6,500
Associate professor of psychology, counseling center-----		9,500
Assistant professor of psychology, counseling center-----		8,500
Instructor in speech-----		6,000
Technician, department of physics-----		5,500
Technician, department of audio-visual aids-----		5,500
Residential hall supervisor for preparatory students-----		3,450
Residential hall supervisor for college students-----		3,450
Subtotal (10)-----		<u>63,400</u>
B. Kendall School: Residential hall supervisors (2)-----		6,100
Operation and maintenance of physical plant:		
Mechanical equipment maintenance man-----		6,000
General maintenance man-----		5,200
Mechanic-----		6,000
Fireman-----		4,800
Subtotal (4)-----		<u>22,000</u>
Total new positions, all activities (18)-----		<u>100,600</u>

CLERICAL

An additional financial clerk is requested in the business office particularly to assist in the preparation of the budget, to maintain budgetary and other accounts, and to assist in the preparation of the ever-increasing volume of reports necessary for the Treasury Department and the Department of Health, Education, and Welfare. The present office personnel, in addition to the business manager and assistant business manager, consists of seven persons. This group, in addition to caring for the entire fiscal matters of the institution, operates a student bank and keeps separate and independent accounts for both the college snackbar and student bookstore. Accounting in these three activities alone has increased heavily in the past 2 years, particularly due to increased enrollment.

An additional messenger's services are badly needed. For the past 20 years one man has acted as liaison between the college, Treasury Department, and the Department of Health, Education, and Welfare. In the past he has seen to the distribution of official information to a rather centrally located group of buildings covering approximately 15 acres. With the advent of new construction, and increasing personnel and student body, this person has to take care of 7 new buildings spread out upon 65 acres of land. It is, therefore, essential that this department be strengthened to make possible the proper distribution of information, bulletins, mail, etc., between the various branches and buildings of the college.

ACADEMIC

The department of biology is presently staffed with one full-time and one part-time position. Yet it offers all the courses for an undergraduate major, including a general course that is offered to meet college graduation requirements and is heavily elected. This year 155 freshmen and sophomores are taking general biology in 2 lecture and 5 laboratory sections. With the rising enrollment in the college, an additional person is urgently needed.

The department of English offers an undergraduate major, two required tutorial courses for freshmen and sophomores, and one required tutorial course for college preparatory students. With a 100-percent increase in the freshman class this year, the department of English is overloaded, and badly needs the additional instructor requested.

The department of romance languages needs an additional person to accommodate increased enrollment in French and Spanish courses. Two years of a modern foreign language are required for graduation; class size is limited to 20; the department is so loaded with elementary courses this year that it has had to cancel some of its upperclass courses offered for the major.

The counseling center was established 3 years ago with a grant from the Office of Vocational Rehabilitation. It is the only center of its kind in the country—offering guidance to deaf persons, principally Gallaudet students, in questions of social, academic, and vocational adjustment. During the 5-year term of the grant, the college is asked to assume all positions in the center that are financed by grant funds. In fiscal 1962 the college assumed the first position; in fiscal 1963 the second; this year the college would like to assume two more positions, leaving 3½ for the remaining 2 years.

The hearing and speech center offers required courses in speech, auditory training, and lipreading to all Gallaudet College students throughout their residence. Classes are limited to six or seven; the center is overloaded and needs an additional person for the college's increased enrollment.

The department of physics, by the end of this fiscal year, will be completely equipped to offer undergraduate courses. A full-time technician is urgently needed to maintain equipment and to design and build new equipment and demonstrations.

The department of audiovisual aids, which serves the entire college by maintaining sound and projection equipment and hearing aids, and by constructing and captioning films and filmstrips for all members of the faculty, needs a technician to assist in its work.

HOUSING SUPERVISION

Two supervisory positions are sought for college and preparatory students, who due to an increased enrollment will be housed in additional buildings on the campus until new dormitories are ready for them. It is very important, for their protection and for proper conduct of dormitory life, that an adult person with normal hearing be found for each building in which students will be housed.

Supervisory staff in the Kendall School is inadequate for the number of children and the problems involved; graduate students must be found who can provide a minimum of protection to groups of children when members of the staff have duties to other groups. Out-of-class supervision of deaf children is an extremely important part of their total education, since it contributes heavily to the experience from which they derive their language; it cannot properly be left to untrained persons such as graduate students. Two additional supervisors would render the present staff adequate for the demands placed upon it.

PLANT MAINTENANCE AND PROTECTION

The additions made to our physical plant also present the identical problems as has been related with respect to the needs for a mechanical equipment maintenance man. Our shop maintenance force besides the superintendent and assistant superintendent consists of a carpenter, electrician, two painters, one plasterer, and one general maintenance man. It is requested that this group be strengthened by the addition of another general maintenance man. Even with this increase the force provided to care for the physical plant will hardly meet minimum requirements for satisfactory plant maintenance.

It has been our experience in the past that much time and considerable cost has been saved by the repair and upkeep of all of our automotive equipment in

our own shops. Until recently this has been done by a man assigned to our grounds keeping staff who has been utilizing part of his time on the upkeep of the campus and part in repairing automotive equipment. Shortly we will move into larger and up-to-date maintenance buildings where our equipment will be under roof and new shops installed. In addition to two 42-passenger school buses and two 12-passenger sedan buses we have 6 trucks, 2 passenger cars, 3 tractors—mowers attached, and considerable outdoor equipment consisting of power mowers, track rollers, and miscellaneous equipment all gas powered. In order to properly protect and maintain this equipment a full-time auto mechanic is needed.

The staff for plant operations involving the heating and air-conditioning services, all utilities services for the entire college consists of the chief engineer and six assistants. Of necessity this department works on a 24-hour, 7-day week, 365-day year basis and the crew cares for the protection of three 100-horsepower and one 75-horsepower boilers. This equipment furnishes heat and hot water to all of the major buildings on the campus. The men work on a 47-hour-week basis. In order to put this staff on a 40-hour-week basis and to provide for two men instead of one man on duty on the 3 p.m. to 11 p.m. shift and the 11 p.m. to 7 a.m. shift, it will be necessary to increase the staff by an additional fireman. We have been advised by the Hartford Steam Boiler Inspection & Insurance Co. that the plant should have at least two men at all times. We have been advised that this is a common and desirable practice in the area and therefore the best interests of the college and the protection of the welfare of the students would be served by increasing this staff by an additional fireman, at the very least.

GRANT SUPPORTED RESEARCH

Mr. FOGARTY. What grants do you have from the Federal agencies?

Dr. DETMOLD. Well, we have, I think, a total of about \$180,000 from Federal agencies to support research at the college.

Mr. FOGARTY. You can give us a breakdown. Put it in the record. (The information follows:)

Grant-supported research from Federal agencies at Gallaudet College, fiscal year 1963

	Purpose	Amount
National Science Foundation G-24618...	Institutional grant to support scientific research.	\$5, 200
National Science Foundation G-24478...	Preparing a dictionary on linguistic principles of the sign language of the American deaf.	23, 200
U.S. Office of Education grant No. 1383...	New methods of language development in deaf children.	1 24, 376
U.S. Office of Education grant No. 985...	Development of a filmed program for teaching the manual alphabet.	15, 000
U.S. Office of Education grant No. 1633...	Evaluation of effectiveness of programed texts of high school mathematics.	1 24, 119
Office of Vocational Rehabilitation No. 467.	Language development in deaf children.....	5, 145
Office of Vocational Rehabilitation No. 734.	A study of the deaf community of the Washington metropolitan area.	1 63, 500
U.S. Office of Education grant No. 9824...	A survey of visual aid programs in residential schools for the deaf.	6, 900
Public Health Service grant No. 86-63-68.	National health survey—Hearing ability survey.	11, 600
Total.....	.....	179, 040

¹ For 2 years.

ENROLLMENT

Mr. FOGARTY. And your enrollment as you have just said does keep going up.

Will you place in the record a statement showing the average enrollment by year from 1950 to the current year and also the size of the freshman class and the number of graduates for each of those years.

Mr. DETMOLD. Yes, sir; we will.

(The information follows:)

Gallaudet College

Year	Total enrollment	Freshman	Preparatory	Graduates
1950.....	239	42	67	40
1951.....	231	51	55	49
1952.....	254	51	78	46
1953.....	265	61	72	39
1954.....	290	77	61	53
1955.....	318	60	86	62
1956.....	308	86	75	47
1957.....	347	71	106	51
1958.....	361	84	89	64
1959.....	383	100	99	66
1960.....	391	97	105	76
1961.....	492	131	166	71
1962.....	604	219	160	76

CONSTRUCTION

Mr. FOGARTY. The request for your construction program is \$2,919,000, almost all of which is for dormitories.

We will put the justification in the record.

(The justification follows:)

Construction amounts available for obligation

	1963	1964
Appropriation.....	\$1,065,000	\$2,919,000
Unobligated balance brought forward.....	522,077	
Unobligated balance carried forward.....		536,000
Total.....	1,587,077	2,383,000

Total obligations by activities

Activity	1963 estimate	1964 estimate	Increase or decrease
Design, supervision, etc.....	296,851	144,000	-152,851
Construction.....	1,096,013	2,144,000	+1,047,987
Major repairs and preservation of buildings and grounds.....	194,213	95,000	-99,213
Total obligations and balances.....	1,587,077	2,383,000	+795,923

Obligations by objects

	1963 estimate	1964 estimate	Increase (+) or decrease (-)
Travel and transportation of persons.....	700		-700
Printing and reproduction.....	57,200	100,000	+42,800
Other services.....	264,830	336,000	+71,170
Supplies and materials.....	15,100	22,000	+6,900
Equipment.....	237,095	135,000	-102,095
Lands and structure.....	1,012,152	1,790,000	+777,848
Total, obligations by objects.....	1,587,077	2,383,000	+795,923

Summary of changes

1963 enacted appropriation-----	\$1, 065, 000
Unobligated balance brought forward-----	522, 077
Total estimated obligations, 1963-----	1, 587, 077
1964 estimated obligations-----	2, 383, 000
Total change-----	+ 795, 923

INCREASES

A. Program increases:

Fifth stage of program of renovation and repair of existing buildings-----	95, 000
Construction of preparatory dormitories-----	2, 680, 000
Plans and specifications, college dormitory-----	144, 000
Gross increases-----	2, 919, 000

DECREASES

A. Nonrecurring projects:

Fourth stage of program of renovation and repair of existing buildings-----	100, 000
Special educational equipment-----	55, 000
Construction of arts building-----	660, 000
Landscaping-----	50, 000
Planning funds for preparatory dormitories-----	200, 000

Subtotal, nonrecurring projects----- 1, 065, 000

B. "Built-in":

Change in unobligated balance carried forward:	
1963-----	-----
1964-----	536, 000
Change in unobligated balance brought forward:	
1963-----	-----
1964-----	522, 077

Subtotal, decreases----- 2, 123, 077

Total net changes requested----- 795, 923

GENERAL STATEMENT

The Gallaudet construction program began in 1956 and consisted of a multiple stage program for the expansion of the physical plant to accommodate an enlarged student body and to provide more modern and adequate facilities for all phases of the college program. The first stage was a women's residence hall and physical activities heating plant building, both of which were completed in 1957. The 1957 appropriation provided for a classroom-science building and a speech and hearing center, both of which were completed for occupancy in the spring of 1959. Funds for the third stage consisting of a cafeteria and service (student union) building and a men's dormitory were appropriated by the Congress in 1958. These buildings were completed in the late fall of 1959. Funds for the fourth stage in the amount of \$123,000 were appropriated by the Congress in 1959. These funds covered plans and specifications for construction which included an auditorium, Kendall School, maintenance apartment building, and roads, walks, and grading. The 1961 Appropriation Act provided moneys in the amount of \$2,512,000 for the completion of this stage, the renovation and repair of College Hall and the residence of the president. In the 1962 Appropriation Act the sum of \$601,000 was appropriated for the following program: planning funds for the arts and crafts building, \$40,000; an addition to the speech and hearing center, \$300,000; parking facilities and equipment for the auditorium, \$53,000; completion of a maintenance building, \$81,000; and the sum of \$92,000 for renovation and repair of Dawes House, Kendall Hall, and house No. 1. In addition the sum of \$35,000 was provided for additional special equipment in the classroom-laboratory building. The 1963 appropriation provided the sum of \$1,065,000 which covered the following

phases: Renovation and repair of houses Nos. 2, 3, and 7 and a relocation of the health department, \$100,000; construction funds in the amount of \$660,000 for the erection of an arts building; \$200,000 for the planning of two preparatory students residence halls; \$50,000 for landscaping and \$55,000 for special educational equipment.

NEW CONSTRUCTION

Projections of enrollment for the next 10 years as shown in the college's 1963 budget request now definitely indicate a need for additional facilities.

The 1964 request includes the following projects:

Construction of 2 dormitories for college preparatory students..... \$2,680,000
Planning funds for 1 college dormitory..... 114,000

Projections of enrollment for the next 5 years are given in the table below. Reasons for this growth are to be found in the rising enrollments in the schools which have traditionally supplied the college, in the new sources recommending the college to secondary school graduates, and in the increased attractiveness of a Gallaudet education brought by accreditation in 1957. The number of deaf college-age persons is rising as the general population rises (according to the best estimates available). Projections assume that deaf college-age students will attend Gallaudet in the same proportion that they do now.

Dormitory capacity at present is 500. In emergencies, 3 students can be placed in rooms designed for 2, and a total of 700 students accommodated on a temporary basis. But such a procedure is educationally unsound, and the college would be severely criticized for permanently overloading its dormitories.

Projections of enrollment and dormitory capacity

	Actual 1961-62	1962-63	1963-64	1964-65	1965-66	1966-67
Enrollment:						
Men.....	270	342	396	496	551	598
Women.....	209	251	292	356	420	463
Total.....	479	593	688	852	971	1,061
Capacity:						
Men.....	250	250	250	450	650	650
Women.....	250	250	250	450	450	450
Total.....	500	500	500	1 900	2 1,100	1,100

¹ Assumes availability of 1 men's and 1 women's dormitory for which construction funds are requested.

² Assumes availability of additional men's dormitory for which planning funds are requested.

Projections refer to fall enrollments, at the time the college opens, rather than to full-time enrollments at the close of the year after dropouts have been subtracted. Projections are based on a 10-percent annual increase in the preparatory class and a 37-percent dropout rate from the preparatory year through the senior year.

The above table indicates that—

(1) There will be a shortage in 1964-65 of 246 spaces for men and 106 spaces for women unless two new dormitories are available for occupancy at that time. Accordingly, we are requesting an amount in 1964 for constructing the two buildings which are presently being planned with funds appropriated in the current year.

(2) There will be a shortage of 101 spaces for men in 1965-66 unless a new men's dormitory is ready for occupancy at that time. Assuming that this building will require 2 years to plan and construct, planning funds are included in the 1964 budget.

Following are descriptions of needed construction related to increasing enrollments.

Two preparatory dormitories, estimated construction cost, \$2,680,000 (\$200,000 was provided in the 1963 appropriation for plans and specifications of these two dormitories).

Each building to be constructed of reinforced concrete, brick and stone faced, three stories and full basement. Hot-water heat, toilets, lounge, and other facilities similar to present men's dormitory except building will be air condi-

tioned. Each building to be furnished. The following costs include supervision, architect's fees, and other administrative costs. Each building to house 200 students.

Number of students.....	200
Gross square feet per student.....	240
Gross for building.....	48, 000
Estimated cost per square foot.....	\$30
Estimated cost per building.....	\$1, 440, 000
Number of buildings.....	2
Estimated total cost of 2 preparatory dormitories.....	\$2, 880, 000

One college dormitory, planning costs, \$144,000.

This dormitory will be of construction identical to that of the two dormitories mentioned above and with an estimated total cost being the same, it is requested that 10 percent of the cost of one dormitory (\$144,000) be provided.

RENOVATION AND REPAIR

Program of renovation and repair of existing building, \$95,000.

The sum of \$95,000 is requested to continue the program for the renovation and repair of existing buildings as follows:

Residence No. 4,	7, 592 square feet gross.....	\$30, 000
Residence No. 5,	3, 000 square feet gross.....	12, 000
Residence No. 6,	3, 000 square feet gross.....	12, 000
Residence No. 9,	3, 000 square feet gross.....	12, 000
Gate house,	1, 500 square feet gross.....	4, 000
Old gym,	7, 000 square feet gross.....	15, 000
Gym, former barn,	3, 400 square feet gross.....	10, 000

This is a continuation of the program initiated in 1960 for the repair and alteration of the older buildings to be retained as permanent parts of Gallaudet College. The major items of the work program to be undertaken on the various buildings are as follows:

(1) Repoint all defective joints in masonry to prevent leaks and damage to interior of buildings.

(2) Replace all broken or defective slate on building roofs.

(3) Burn off all paint blisters and alligating of paint on exterior woodwork and repaint.

(4) Modernize and provide adequate and satisfactory toilet facilities in these buildings which include renewal of soil, water, and waste pipe in many instances.

(5) Make such alterations and improvements in the electrical wiring systems of these buildings as is necessary to comply with the National Electrical Code, also to provide adequate facilities for light, appliance power, etc.

(6) Remove antiquated lighting fixtures and install new in sufficient quantity and number as to provide adequate and satisfactory lighting, in accordance with modern-day standards.

(7) Remove and repair defective plaster.

(8) Repair, replace, and refinish floors, throughout the various buildings, also in certain instances install asphalt tile.

(9) Weatherstrip all exterior windows to prevent drafts and conserve fuel.

With the exception of houses No. 5 and No. 6, the major portion of these buildings were built in the 1870-83 era. Fundamentally, they are soundly constructed and the modernization is necessary because they are most important as auxiliary buildings on the campus in carrying out our educational program of Gallaudet College.

ALUMNI CRITICISM

Mr. FOGARTY. Is there any disagreement on the part of the alumni regarding the desirability of expanding the physical plant? I have received a few letters from some of your alumni including a couple in Providence. As I remember the tone of the letters, it was that the

dormitories were not needed and that your standard for admission is not being kept at the level that it should be.

You take as much time as you want now and explain this to the committee because at least two members of the alumni are scheduled to appear here next week.

From what I know, they would be in opposition to your plan for these dormitories and the increased enrollment.

Dr. ELSTAD. I would like to begin, then have Dr. Atwood, the chairman of the board of Gallaudet College, take over and perhaps the dean to participate. I think it should be remembered that ours is a very small educational family in the college.

I also know all of the superintendents of the State schools for the deaf.

Even though there is some criticism we are good friends.

This is good to some extent. Most superintendents who are criticizing us took our teacher training course and so they feel they have a proprietary interest in the college. They have felt through the years that they have been more or less actively participating in running the college.

That is a healthy feeling to have, keeping everyone alert to the needs of the deaf in college.

HISTORY OF ACCREDITATION

Mr. FOGARTY. Did they feel that way 10 years ago?

Dr. ELSTAD. Perhaps more so than today.

Mr. FOGARTY. But there has been a considerable change in the last 10 years.

Dr. ELSTAD. Yes. I was going to lead up to what the present situation is. I came in 1945. It was then a much smaller operation. We had 150 students, a small staff of 28 and problems seemed to be relatively minor.

I personally knew nearly all the students and they knew me. Then in 1947 it was thought by the alumni and some of the superintendents that we should make our offerings larger and consequently expand enrollment opportunities.

So we instituted a survey. An educator came up from the University of Kentucky to conduct the study and prepared a good report. On the basis of that study we began to strengthen the college and make improvements. In 1949 we asked the Middle States Association for our first accreditation approval and were turned down.

The results of the study suggested a 14-point program to be implemented in order to build the college to an accredited standing. We continued to strengthen our program through 1952 and felt confident that we were ready to secure accreditation. We then made another request for evaluation. An accrediting team evaluated our program and again their conclusions were negative.

However they seemed to think we were pursuing a right course of action and gave us definite guidelines to follow which we followed.

Five years later we made another attempt to secure accreditation, and this time the college succeeded.

Mr. FOGARTY. What year was that?

Dr. ELSTAD. 1957—with the provision that in 1958, 1959, and 1960 we send in additional reports of progress at the college which we did.

They seemed to be satisfied. We shall continue to go along on that basis until 1967 when the college will be reexamined to see how it is progressing.

In 1954 the college's charter was rewritten which gave us tremendous encouragement because it firmly established the Federal responsibility in law for participating in the support of Gallaudet College.

Since that time we have also been accredited by the American Association of University Women.

They wanted to be sure we were giving women an equal opportunity to participate as staff in the college.

We also were examined by N.C.A.T.E.

Mr. FOGARTY. What is that?

Dr. ELSTAD. The National Council for the Accreditation of Teacher Education. This group examines all the teacher training centers and the N.C.A.T.E. came out and gave us this evaluation.

So, we have been examined often up to the present time. But there are those who feel that we should not grow as fast as we are growing now.

Enrollment was 600 this fall and they seem to feel it is difficult to grow that fast without taking students who are not qualified for college work.

We have excellent records for the last 10 years that show a definite high standard of work by the incoming students. The tests given freshmen, sophomores, juniors, and seniors have also indicated a very satisfactory level of accomplishment. Our critics apparently do not accept these demonstrated facts. Some raise questions about the reliability of these records.

Mr. FOGARTY. A "satisfactory level" sometimes is not good enough, if you know what I mean.

Dr. ELSTAD. It certainly is not with this group and we are continually striving for more improvements.

Mr. FOGARTY. It is not with me, either. I want to see the best.

BOARD HEARING FOR CRITICS

Dr. ELSTAD. With your permission I would like to have Dr. Atwood, chairman of our board of directors, tell the contact that this group has had with the board and what the board is doing about it.

Dr. ATWOOD. Beginning several years ago, a few superintendents, one of our own trustees, who is no longer a director, came to Mr. Collins, the vice chairman of the board, our lawyer, with certain criticisms.

This kept on. Finally, the board decided to have an open hearing for the critics. We asked three men who are active critics to give us the names of every one that they wanted to be heard and we were given 40 or 50 or more names of those who wished to present arguments.

Of these I think 18 came to the hearing which lasted 2 entire days.

I presided over it. About 20 others wrote me letters. We made no attempt to bring anybody in from the college, or elsewhere to defend the college.

Toward the end of the second day when everybody was exhausted, Dr. Elstad did endeavor to answer some of the criticisms. But very briefly, and without any attempt to go into detail. None of the other directors, nearly all of whom were present—either during the whole of the two hearings or part of the hearings—tried to answer except Congressman Thornberry, who did answer some of the criticism very vigorously.

Mr. FOGARTY. We think he is a very able and valuable Member of Congress. He is very much interested in your activities and has been a great supporter of yours.

Dr. ARWOOD. Yes, indeed. We are deeply indebted to him. I have studied the transcript of these 2-day hearings with the utmost care. I have analyzed the substance and am narrowing down on paper the apparent issues.

I have done practically nothing else for the last few months. Because for the past year I have been writing a history of Gallaudet College which is about more than three-quarters completed now for our centennial next year, 1964.

Very briefly, my own feeling is that these criticisms boil down to very little. One difficulty was that the 20 people who did appear repeated each other considerably.

They seem to have all been coached from some central source. There was constant repetition and emotion over and over again while we were trying to get facts. Another point is, that I think their attitude is much like that of the alumni of my own college, Amherst College.

I am secretary of my class and I get letters almost every month from some classmate asking what is being done to our college?

It is growing. These people do not like the idea of Gallaudet's continued growth to meet the recognized needs of the deaf.

I have very little more to say except that the board has considered these criticisms carefully. I am sure every member of the board has read the transcript carefully. We have devoted several board meetings to discussing it. We hope eventually to get out a statement to the alumni.

As perhaps you know, we did have a study made of the most substantive and most objective portions of the criticisms, the ones that you mentioned; namely, that we were growing too fast and lowering our standards. I am happy to say we had a very favorable report on that subject.

LETTERS FROM CRITICS IN RHODE ISLAND

Mr. FOGARTY. Let me tell you what my friend in Rhode Island wrote to me last year. I also have a more recent communication than this.

Mrs. Spellman, in 1962, said:

Like many Gallaudet alumni, we have grown increasingly aware of the deplorable situation too at the college. It is true that the beautiful new physical plant at Gallaudet exceeds our fondest hopes, but the nagging doubt remains: As it

grows in buildings and enrollment, is the college maintaining collegiate standards and objectives in keeping with the needs and wishes of the deaf?

Despite accreditation and many new advancements at the college, thoughtful alumni are asking:

Is it true that admission standards have been drastically lowered at Gallaudet?

Is it true that professors with Ph. D.'s can, in a week or 10 days' orientation, become adequate teachers of the deaf?

Is it true that the new counseling center is merely a tutoring center for weak students who have a fifth-grade reading ability?

Why was the counseling center recently slashed to half its former budget by the supporting Office of Vocational Rehabilitation?

Is it true that the salary schedule at Gallaudet is unfair to deaf instructors and others with long experience in teaching the deaf, while favoring certain "pets" of an administrator?

Is it true, as alleged by the dean of Gallaudet, that it is necessary to provide a printed language of signs in order to instruct the deaf? Of what use would such an education be in a world of books, magazines, and newspapers printed in English? Are the deaf to be further shut off from the rest of society?

Is it true that college policies have relentlessly driven off hearing instructors faithful to the deaf, only to replace these dedicated teachers with a new breed of faculty who cannot communicate with and refuse to associate with the deaf?

Is it true, as stated by the administration before a congressional hearing, that the college can expect an enrollment of 1,600-1,700 by 1972?

Mr. FOGARTY. Those were the questions asked in the letter of August 1962.

You have answered some of these questions already.

This is a letter I received March 10, 1963.

DEAR MR. FOGARTY: I have written to you in the past urging that you investigate the academic and administrative situation at Gallaudet College. My distress at increasingly lower admissions standards, the misuse of the counseling center, the dubious teaching ability of many newcomers to the faculty, and administrative policies that have caused a number of able, dedicated faculty members to resign in protest, has been shared by many other persons with a sincere interest in Gallaudet.

On November 15 and 16, 1962, the college board of directors invited a group of superintendents, alumni representatives and others to attend a board hearing and make known their criticisms and suggestions.

I was among those who attended. One salient point was made over and over: Gallaudet, to utilize its new plant to full capacity, has resorted to admitting students of dubious intellectual caliber, to the detriment of the institution.

This is more than a shameful waste of tax dollars. A young deaf person with as low as an eighth-grade achievement record cannot possibly assimilate a liberal arts program on the college level.

His efforts to do so can only be pitiful, frustrating and a waste of time that could be profitably spent learning a vocation.

The faculty charged with instructing these misguided students (who currently constitute the large percentage of the student body) are forced to water down their courses, and the hard core students of true ability are the losers.

Any number of persons made this point at the Board hearings.

The fallacy of the premises upon which Dr. Schein and Mr. Bushnaq based their paper implying that many more deaf students qualify for college admission than can be accommodated at Gallaudet was made explicit. The attitude of the members of the Board seemed one of sweet reason.

We left Kendall Green confidently expecting that the Board would abandon its fantastic aim to expand Gallaudet to an impossible 1,700 enrollment and would act to improve the situation already created by possession of unnecessarily large plant.

I therefore was appalled to learn that President Elstad's proposed budget for this year includes an item of \$2,860,000 for additional dormitories. The request is unbelievable. I sincerely urge that you have an objective evaluation made of Gallaudet's true needs before approving so questionable an appropriation.

Dr. Edward B. Boatner, superintendent of the American School for the Deaf, West Hartford, Conn., has made an exhaustive study of the Gallaudet situation.

I suggest that you request a synopsis of his findings, conclusions, and recommendations.

Dr. Boatner, an outstanding and respected educator of the deaf, is motivated by a deep concern for the welfare of our deaf youth, and can speak with authority on the matter to which I am calling your attention.

My wife joins me in urging that an extremely close scrutiny be made of any proposal to appropriate funds for the expansion of Gallaudet College.

We both appreciate your attention and thank you for your interest.

Mr. FOGARTY. This is the same kind of letter that I have received from 5 or 6 other sources.

Dr. ATWOOD. They can answer every single one of those criticisms.

Mr. FOGARTY. Go ahead.

ADMISSIONS STANDARDS

Dr. ELSTAD. First, on admissions, we have not told you that we contacted the Middle States Association through the executive director, Mr. F. Taylor Jones, and told him our situation.

We sent him the information about these criticisms and asked if he would come down and discuss them with us.

He came down and spent a day with us. On the basis of that visit he agreed to choose two of the best authorities on admissions in the Middle States Association to make a study of our admission records.

One was Mr. Donovan, vice president of Seton Hall University, who is a former president of the Middle States Association of Collegiate Registrars and Officers of Admission. The other was Miss Irene Davis, registrar of Johns Hopkins University and another past president of the same organization. They are outstanding authorities on admissions.

They spent a full day going through our records for the past 10 years.

They prepared a report of findings and conclusions. I left a copy in your office recently. Their conclusions indicated that there has been no lowering of standards during the 10-year period.

If anything, standards have risen.

Mr. FOGARTY. We will put that report in the record.

(The document follows:)

INTRODUCTION

The executive secretary of the Commission on Higher Institutions of the Middle States Association of Colleges and Secondary Schools, Mr. F. Taylor Jones, invited Miss Irene M. Davis and Alfred D. Donovan to constitute a committee to study and report on certain matters respecting the admission and retention of students at Gallaudet College, Washington, D.C.

Miss Davis is registrar of Johns Hopkins University. Mr. Donovan is vice president in charge of student personnel services at Seton Hall University. Both members have had long experience in college and university administration, with responsibility for the evaluation of scholastic records and the admission of college students. Both are former presidents of the Middle States Association of Collegiate Registrars and Officers of Admission. One of us was chairman of the committee which evaluated Gallaudet College for the Middle States Association in 1957. The other is a member of the Committee on Student Retention and Withdrawal of the American Association of Collegiate Registrars and Officers of Admission, and was associated with the study made by Robert E. Iffert which is referred to on page 4.

We visited Gallaudet College on February 11, 1963, and spent the day there. We had the complete cooperation of all members of the college staff whom we asked to meet. We examined such records and reports as were, in our judgment,

necessary or useful in completing the task assigned to us and in making the report which follows.

FINDINGS OF THE COMMITTEE

I. Ratio of acceptance to applications

The number of students who have been admitted to Gallaudet has increased sharply in recent years. This might have been cause for concern if there had not been a corresponding increase in the total number of applicants. Actually the number of applicants has increased sharply as demonstrated by the following table.

	Number of applicants	Percentage of rejections
Year:		
1955.....	204	51
1956.....	186	52
1957.....	253	53
1958.....	272	63
1959.....	291	60
1960.....	303	61
1961.....	404	53
1962.....	486	58

It is clear that Gallaudet has been able to admit larger numbers of students recently than it formerly did because many more students have applied for admission; the larger enrollment has not been accomplished by increasing the percentage of acceptances from a relatively static number of applicants.

II. Caliber of admitted students

A large majority of Gallaudet students are admitted to a preparatory year before they begin college-level work. In the spring and fall of most years since 1953 the accepted students in the preparatory year have taken a group of tests known as the essential high school-college battery (EHSCB). These tests are a measure of the extent to which students have mastered the subject matter usually taught in high schools. The tests were not given in the fall of 1961 to the class scheduled to graduate in 1966 because a new orientation program had been introduced which involved a shifting of schedules and resulted in omission of the tests for that one period.

Results achieved by Gallaudet students on EHSCB are listed in exhibits I and II attached to this report. The years listed are the years of expected graduation of the students tested (i.e., 5 years after admission to the preparatory year). The scores shown under the appropriate years are the equivalents in terms of percentile ranks on national norms of the scores achieved by Gallaudet students at the percentile listed in the column at the left.

EHSCB results achieved by Gallaudet students have not varied significantly with the classes admitted between 1953 and 1962, although in general there has been a slight upward trend over this period.

The cooperative school and college ability test (SCAT) is a commonly used testing instrument. This test has been administered to students in the preparatory year at Gallaudet since 1956. The results are shown in exhibit III. Performance on this test has remained remarkably constant over the period covered.

Basing our judgment on the reported results on the two tests listed, EHSCB and SCAT, it is our opinion that the quality level of students admitted to Gallaudet has varied very little, if any, over the period for which scores are reported.

III. Caliber of students at end of sophomore year

Each year since 1958 Gallaudet has administered the sequential tests of educational progress (STEP) to its students at the end of their sophomore year. This is a standard battery of tests and is used in numerous colleges for the purpose of measuring educational progress.

Results achieved by Gallaudet students on STEP are shown in exhibits IV and V. These results are somewhat uneven. In general, they indicate that the sophomore classes have not been greatly different from each other over the period covered. It seems a fair conclusion that Gallaudet has maintained approximately the same level of effectiveness with respect to the first 2 years of its college-level program over the past 5 years.

IV. Caliber of students in the senior year

Since 1953 the graduate record examination has been given to members of the Gallaudet senior class. The educational testing service which sponsors this test and compiles national norms made certain changes in the scoring procedure in 1957. Prior to that year the lowest assignable score was 310 on the verbal subtest and 300 on the quantitative subtest. In 1957 and subsequent years the minimum assignable scores have varied from 210 to 240. This change has little effect on colleges where the average scores on these tests tend to cluster about the national mean. But where the group tested includes a number of students at the lower end of the distribution, as has been and is the case at Gallaudet, the effect on the mean score for such a group is very marked.

The comparability of results achieved on this test since 1957 with results achieved before that year can, perhaps, be improved somewhat by converting scores below 310 on the verbal subtest and 300 on the quantitative subtest to these prior minimum levels. When this is done the mean scores for Gallaudet students are as follows:

	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Verbal subtest.....	358	351	362	352	347	351	359	334	356	329
Quantitative subtest.....	402	396	386	388	369	351	370	363	381	359

We are of the opinion that such variance as has occurred from year to year on the mean levels of performance on this test are more probably indicative of random sampling errors than they are of differences in the abilities of the students tested. The question of how comparable GRE scores are from year to year is moot. In the case of Gallaudet it is impossible to say how much significance should be attributed to the results of such comparison. We think it fair to say, however, that to the extent they are significant, they show very little change in the mean level of ability of the various Gallaudet graduating classes over the last decade.

V. Retention and withdrawal of students

As has been noted, the majority of Gallaudet students are placed in a preparatory year before they begin college-level work, with the result that they normally take 5 years to graduate. Studies of the last four graduating classes show the percentage of Gallaudet students graduating or continuing to graduation to be as follows:

Year	Number admitted	Graduated (as of February 1963)		Continuing	
		Number	Percent	Number	Percent
1954.....	81	43	53	-----	-----
1955.....	107	62	58	2	2
1956.....	92	48	52	1	1
1957.....	119	50	42	12	10

This is a creditable record. The most recent nationwide study of retention was published in 1957 by the Office of Education with the cooperation of the American Association of Collegiate Registrars and Admissions Officers.¹ This study showed that in the institutions studied, the percentage for graduation in 4 years was 39.5 percent and the percentage continuing to graduation beyond 4 years was 11.2 percent.

A study of failure and dropout rate at Gallaudet College shows that most of the losses take place during the preparatory year or at the end of that year. In a span of years, 1954-61, the losses in the preparatory year varied from a low of 10 percent to a high of 44 percent. We note with satisfaction that the

¹ "Retention and Withdrawal of College Students," Bulletin 1958, No. 1, by Robert E. Ifert, specialist for faculty and facilities, Office of Education, U.S. Department of Health, Education, and Welfare.

EXHIBIT I.—*Essential high school content battery—Continued*

SOCIAL STUDIES

90	52	44	52	38	51	52	71	48	54	48	64	35	52	44	62	56	48
75	38	18	41	27	39	30	59	24	33	27	34	27	41	27	48	38	27
50	20	7	35	14	27	13	39	11	20	13	22	13	22	13	30	22	13
25	9	3	10	3	12	7	22	4	9	3	13	6	11	8	13	10	6
10	3	2	4	1	6	3	4	1	4	2	7	3	5	4	6	4	2

ENGLISH

90	76	57	56	57	64	69	57	72	47	49	54	32	60	52
75	59	34	47	41	44	49	39	48	36	34	36	39	23	34
50	46	22	36	17	32	32	22	19	36	25	22	13	32	22
25	29	6	19	9	17	18	9	12	19	13	17	6	17	10
10	16	2	12	1	9	9	2	5	10	6	12	2	7	4

EXHIBIT III.—*Gallaudet College cooperative school and college ability tests: Converted score data on preparatory students by years from 1956 to 1962*

Test year	Class year	Verbal mean	Quantitative mean
1956	1961	261.1	288.8
1957	1962	265.6	285.8
1958	1963	256.7	291.3
1959	1964	266.1	286.3
1960	1965	268.7	291.9
1961	1966	261.7	291.3
1962	1967	262.9	287.4

EXHIBIT IV.—*Gallaudet College national guidance testing program: sequential tests of educational progress (step)*

MATHEMATICS

Gallaudet percentiles by { Class year Test year	1960 1958	1961 1959	1962 1960	1963 1961	1964 1962
90	58	72	62	59	66
75	48	44	40	34	42
50	32	27	27	19	23
25	21	13	18	10	17
10	8	4	4	4	5

SCIENCE

90	41	62	50	46	68
75	29	35	29	29	24
50	16	20	18	14	7
25	6	7	11	4	3
10	3	3	6	B1	B1

EXHIBIT IV.—*Gallaudet College national guidance testing program: sequential tests of educational progress (step)*—Continued

SOCIAL STUDIES

90.....	59	66	54	47	60
75.....	44	49	44	35	28
50.....	26	29	26	20	13
25.....	13	12	5	11	7
10.....	9	1	2	5	3

READING

90.....	42	56	41	46	62
75.....	18	18	16	17	15
50.....	5	6	7	5	5
25.....	2	2	3	3	1
10.....	B1	B1	1	B1	B1

WRITING

90.....	60	64	53	51	60
75.....	22	33	27	33	33
50.....	11	11	9	11	10
25.....	2	5	2	3	3
10.....	¹ B1	B1	B1	B1	B1

¹ B1—below the first percentile.

Dr. ELSTAD. It seems to me this answers the question about admission and academic standards at Gallaudet College.

Would you like to add something to that?

Dr. DETMOLD. On this whole question of expansion I do not think there is any college faculty or administration that really enjoys the headaches which accompany expansion.

It brings a multitude of unforeseen problems that we would like to do without if we could.

But at Gallaudet we have taken the position that since we are the only college in the world for the deaf, the only place where the deaf can come for a college education, we have a moral obligation to provide it for all who qualify for admission and it is on this basis only that we have sought to expand our facilities and staff.

Mr. FOGARTY. Have you changed the admission standard?

Dr. DETMOLD. We have careful checks on the quality of our students as they come in and as they proceed through the years to graduation and in the last 10 years there has been absolutely no deterioration in their quality.

We have had this report as a check on our admission standards and on our academic standards. It demonstrates that there is no truth to the charge that we are watering down courses in order to pass a lot of students who should not properly graduate.

Mr. FOGARTY. All right. Go ahead.

NEED FOR DORMITORY SPACE

Dr. ELSTAD. We have 500 requests to take our entrance examinations at the end of this week from all over the United States.

The history of these tests reveals that approximately half of them will qualify. That means some 250 will qualify and without these requested dormitories to which they are objecting to housing facilities at Gallaudet College will be in a very critical state to meet even mini-

mum needs. In short, Mr. Chairman these dormitories are of the highest priority.

Mr. FOGARTY. Are these for expansion of the present dormitories or the replacement of some of the old ones?

Dr. ELSTAD. We are now using two temporary buildings for dormitories. We have 500 beds in good dormitories and then we have to put the balance, almost 100, in less suitable housing, and we will have to put 3 beds in bedrooms built for 2, and if absolutely necessary for 1.

Now, when we get 100 additional students—

Mr. FOGARTY. For all the students or for that 100?

Dr. ELSTAD. To house the additional 100 students we will have to put 3 beds in a room that was built for 2.

These new buildings will not be ready until 1965 and we are certainly going to be in dire circumstances.

Mr. FOGARTY. Someone told me there were as many as four in some rooms.

Dr. ELSTAD. Yes; in a few cases we have been pushed to that.

Mr. FOGARTY. Because of the overcrowding.

Dr. DETMOLD. We are now filled above our capacity.

Mr. FOGARTY. This is not a healthy situation, is it, to put three or four students in one room?

Dr. ELSTAD. Is quite bad, and could be hazardous.

Mr. FOGARTY. Do you have anything else to say in answer to these criticisms?

TRAINING OF FACULTY

Dr. DETMOLD. May I speak to the question.

There was a question as to the faculty and their competence as teachers of the deaf. Our critics said again and again that these people had not passed through the 1-year training course prescribed by the Conference of Executives for training teachers of the deaf and, therefore, they are not qualified to teach the deaf at Gallaudet College.

We raise the question of the appropriateness of this sort of training for a college teacher.

There is no other college in the country that requires the faculty to undergo training to teach elementary and secondary students in order to teach at the college level. Furthermore, this training prescribed by the Conference of Executives does not include any training in sign language and finger spelling which we find essential at Gallaudet College.

Mr. FOGARTY. What about the charge regarding orientation?

Dr. DETMOLD. The orientation of new faculty members is in the hands of one of our oldest and most capable members, the dean of women, Miss Benson, who is a recognized authority on the sign language.

She gives them as much instruction as she feels is necessary for them and as much as they are capable of assimilating without the actual daily practice of using the language in class. We don't expect our new faculty to be perfect at the outset. No person acquires a new foreign language that rapidly. But they do improve very quickly during the first year while they are on the job. It is difficult to imagine how any college teacher could endure being out of communication with his students.

TURNOVER OF TEACHING STAFF

Mr. FOGARTY. What about the charge that many of your people quit?

Dr. ELSTAD. I would like to speak to that.

Mr. FOGARTY. Have you had much of that?

Dr. ELSTAD. We have had very little. They leave us for better positions. I think we should rather be applauded because we can train men and women who can go out and hold responsible administrative positions in the United States.

Most of them have become superintendents of State schools for the deaf.

Mr. FOGARTY. Not because of conditions out at the school?

Dr. ELSTAD. There were two who took part in the board hearings who said they left because they just could not stand the college any more.

I know they went to good positions and are still friends of the college and come back to visit with us every time they are in the city.

Mr. FOGARTY. Is there anything else you want to say?

COUNSELING CENTER

Dr. DETMOLD. About the counseling center. It was criticized for having its funds cut. Well, Office of Vocational Rehabilitation still gave us more money than we had originally said we would need. It is true that the counseling center assumed a tutorial function for students who need extra help. But this function has been taken away and is now located elsewhere on the campus. Its purpose is simply to give our entering students every possibility of succeeding in the preparatory year so that they can qualify as freshmen. For this practice, we have been commended by the Middle States Association. Colleges that maintain a selective admissions policy are supposed to do everything they can to keep their students from failing or otherwise dropping out. Our dropout rate is lower than the national average, which means that we are more successful in this regard than is the average college or university.

Incidentally, it is not true that our salary schedule is unfair to our deaf instructors or to any other members of our faculty. Nor is it true that we are trying to instruct the deaf through a printed language of signs. We, of all people, don't underestimate the value of the English language. I doubt that any college in the country works as hard at teaching English as we do. As to our projections of enrollment, all we can say is that based on our experience, and from the same sources of supply, we expect that our enrollment will rise as we have estimated, and that we should now be preparing for this increase. College enrollments all over the country are expected to double within another 10 years. We are no different. It is simply a function of the increase in population. There is also the increasing desirability of a college education, and that is working at Gallaudet also.

Mr. FOGARTY. Dr. Elstad, I believe you had something else.

Dr. ELSTAD. As this committee sat around the table and we had very advantageous seats for all, I looked down, a whole line of alumni, and not one of these had ever written me a letter of criticism of the way we were operating the college; moreover they have all been quite friendly.

I know all of these people. They never have written a letter questioning what was going on. Some had been on the campus. They had never visited a class to learn whether professors were using the language of signs the way they should, or the way they thought they should.

The superintendents have been our guests on the campus often, but they seldom visit the college classrooms to see what is going on.

They will listen to rumors from here and there and on this basis criticize their college.

Mr. FOGARTY. You are going to look into all of them and you will file a report with this committee about all the allegations.

Dr. ATWOOD. We will file a report but probably not until we have had other outside evaluations of these different points by a panel of experts from around the country.

Mr. FOGARTY. Mr. Denton.

ENROLLMENT

Mr. DENTON. I would like to put in the record pages 144 and 145 of the justifications.

(The pages referred to follow:)

Gross enrollment by schools and college, 1962-64

	Actual 1962	Estimate 1963	Estimate 1964
Gallaudet College:			
Undergraduate:			
Preparatory students.....	164	180	200
Undergraduate students.....	290	385	460
Total undergraduate.....	454	565	660
Graduate students.....	25	28	28
Total full-time students.....	479	593	688
Graduate students, part time.....	3	3	3
Summer school.....	66	72	75
Vocational counselors.....	44	0	0
Total, college.....	592	668	766
Kendall School:			
District of Columbia.....	77	83	83
Others paying full tuition.....	5	7	7
Others paying day tuition.....	5	10	10
Total, Kendall School.....	87	100	100
Nursery school.....	9	28	30
Grand total all departments.....	686	796	896

Geographical distribution of student enrollment full time and part time 1962-63¹

Alabama.....	8	North Carolina.....	15
Arizona.....	12	North Dakota.....	9
Arkansas.....	8	Ohio.....	12
California.....	63	Oklahoma.....	1
Colorado.....	4	Oregon.....	13
Connecticut.....	16	Pennsylvania.....	29
Delaware.....	1	Puerto Rico.....	1
District of Columbia.....	10	South Carolina.....	7
Florida.....	17	South Dakota.....	6
Georgia.....	5	Tennessee.....	5
Hawaii.....	1	Texas.....	10
Idaho.....	1	Utah.....	2
Illinois.....	34	Vermont.....	2
Indiana.....	15	Virginia.....	19
Iowa.....	7	Washington.....	10
Kansas.....	11	West Virginia.....	8
Kentucky.....	7	Wisconsin.....	8
Louisiana.....	11		
Maine.....	5		579
Maryland.....	14		
Massachusetts.....	11	FOREIGN	
Michigan.....	15	Canada.....	17
Minnesota.....	25	China, Hong Kong.....	1
Mississippi.....	3	Finland.....	1
Missouri.....	22	Ghana.....	1
Montana.....	8	India.....	1
Nebraska.....	14	Japan.....	1
Nevada.....	1	Pakistan.....	1
New Hampshire.....	3	South Africa.....	1
New Jersey.....	23	Vietnam.....	1
New Mexico.....	5		
New York.....	42		604

¹ As of Oct. 25, 1962.

Mr. DENTON. I note from those pages that your enrollment at Gallaudet College is expected to increase 98 or from 668 to 766 next year.

At Kendall School it will remain the same at 100 and the nursery school will go from 28 to 30.

How do you account for this increase in the college?

Dr. ELSTAD. We know that 500 are taking entrance examinations this year of whom usually about half qualify.

So that is 250 new students. Our senior class leaves and there are always some dropouts, so the total at the end is a hundred additional students each year. This is going to hold true for the next few years.

Mr. DENTON. That is because of the increase in population, not because of the increase in the percentage of deaf people?

Dr. ELSTAD. There is no known statistical measurement regarding increase in deaf persons, but there are more people interested in higher education and the schools are encouraging more students to go on. Some deaf students go to high school, for hearing students, where they have learned to know about Gallaudet. We will have 80 candidates from these hearing high schools who want to come.

FINANCIAL ANALYSIS

Mr. DENTON. I would like to put in page 143 of the justifications which shows the income.

(The document referred to follows:)

Analysis of financing

	Actual, 1962	Estimate, 1963	Estimate, 1964
1. District of Columbia contract, Kendall School.....	\$100,515	\$124,500	\$124,500
2. Kendall School, other than District of Columbia students..	13,611	19,500	19,500
3. Tuition, maintenance, and student fees.....	387,244	481,663	555,490
Graduate students.....		(20,800)	(20,800)
Preparatory and undergraduate tuition fees.....	(358,825)	(429,965)	(502,260)
Nursery school.....	(5,355)	(13,048)	(13,980)
Vocational counselors.....	(5,280)	(0)	(0)
Summer school.....	(13,883)	(15,750)	(16,350)
Other fees.....	(3,901)	(2,100)	(2,100)
4. Income, auxiliary enterprises.....	74,292	91,392	105,642
Snackbar.....	(32,196)	(39,606)	(45,781)
Bookstore.....	(42,096)	(51,786)	(59,861)
5. Miscellaneous receipts.....	20,982	15,500	15,500
Total income, non-Federal sources.....	596,644	732,555	820,632
6. Government appropriation.....	1,256,000	1,458,000	1,697,000
Proposed supplemental appropriation.....		22,000	
Total funds available.....	1,852,644	2,212,555	2,517,632

TUITION

Mr. DENTON. I gather from that you charge the students tuition?

Dr. ELSTAD. The maximum charge is \$900, but if they cannot pay the \$900 they can apply to the State office of vocational rehabilitation which pays in most cases \$350 of that \$900 which is the tuition part, and this leaves \$550 for the parent to pay.

The average paid by all students is between \$700 and \$800 per student.

Mr. KELLY. It is included in these figures here, but rather than come from the student it may have come from the State vocational rehabilitation agencies.

Dr. ELSTAD. Some State departments of education pay toward the maintenance and occasionally the schools will pay a part of the costs.

Mr. DENTON. The total amount that you will receive next year from outside sources is \$820,000 and you are asking \$1,697,000.

Dr. ELSTAD. That is right.

REDUCTION IN ORIGINAL REQUEST

Mr. DENTON. I know you requested the Department for \$1,760,000. That was the estimate to you and the Department approved it but the Budget decreased it \$63,000. What item was decreased there?

Dr. ELSTAD. The Bureau of the Budget eliminated six essential positions, related benefits; \$35,000, communications, utilities; \$10,000 and about \$5,000 needed for operation and maintenance, and then the rest of it was in our programed building request.

DORMITORIES

Mr. DENTON. You are building two new dormitories and you ask money to plan for a third.

Dr. ELSTAD. That is right.

Mr. DENTON. How far along with the two are you now?

Dr. ELSTAD. The contract has just been let to the architect to draw the plans for these two new dormitories.

The \$200,000 that the last Congress appropriated was to plan these new buildings for which we are asking construction money now.

They will not be ready for use until 1965 and we are going to be in a real bind for space very soon.

REIMBURSEMENT FROM DISTRICT OF COLUMBIA AND TUITION

Mr. DENTON. The District will also pay money for the students at Kendall school for the Deaf?

Dr. ELSTAD. \$1,500 each. It has been \$1,295 per student until this year and it has gone up to \$1,500 this year.

Mr. DENTON. Does the money that the students pay, does that include their dormitory and their subsistence?

Dr. ELSTAD. In the Kendall School, the children are with us from Monday morning to Friday afternoon when they go home for the weekend to be with their parents.

Mr. DENTON. \$1,500 pays for the lodging and subsistence?

Dr. ELSTAD. That is right.

Mr. DENTON. The \$900 includes dormitory?

Dr. ELSTAD. Board and room and tuition. The rest is a Government subsidy. We can make the statement that no student has ever been turned down if he does not have the funds. If he can prove he has no funds and he qualifies for school, he can enter.

Mr. KELLY. It is low when you compare it with private colleges but when you compare it with State support, at the State level, I do not think you would find it significantly lower.

Mr. DENTON. I think this is all.

Mr. FOGARTY. Is there anything else you want to say?

Dr. ELSTAD. There are many things I want to say but as Mr. Kelly said, we cannot say it all afternoon.

I hope we can make this report so full, there would be no question.

Mr. FOGARTY. I hope so, too. I do not like to see this confusion between your school and the alumni.

If these criticisms are not fair, I hope the alumni will be big enough to accept the proof this report will contain. If there are good reasons for the criticisms we would expect that you would take care of them by making the changes that are shown to be needed.

Dr. ELSTAD. The alumni have raised \$116,000 in a drive for funds for the centennial and they have pledged \$267,000—when you think of all this criticism—they are very generous in support of the college they criticize.

Mr. DENTON. When is the centennial?

Dr. ELSTAD. 1964.

INTERNATIONAL CONGRESS FOR TEACHERS OF THE DEAF

Mr. FOGARTY. I meant to ask you about this international meeting that is coming up.

Dr. ELSTAD. The International Congress for Teachers of the Deaf.

Mr. FOGARTY. Which is going to be held here.

Dr. ELSTAD. On our campus.

Mr. FOGARTY. June 22 to 29.

Dr. ELSTAD. We have established an office and we have 200 foreign delegates registered already and we hope to have 2,000 or 3,000 attending.

Mr. FOGARTY. The first International Congress was held in Vienna in 1873.

Dr. ELSTAD. That is right.

I attended one in Holland in 1950 and one in Manchester, England, in 1958.

We hope you can come to it.

Mr. FOGARTY. How are you going to finance this conference?

Dr. ELSTAD. We received a grant from Public Health for \$25,000 and Office of Vocational Rehabilitation gave us \$25,000 and the estimated balance of \$40,000 needed we will have to worry with somehow or curtail some of the program.

We are hoping to begin our conference, and give our foreign delegates free board and room so they will have a little money to travel around and visit schools. That is the only way they learn what we are doing.

Mr. FOGARTY. I think it is a good idea.

Thank you very much.

WEDNESDAY, MARCH 20, 1963.

HOWARD UNIVERSITY

WITNESSES

JAMES M. NABRIT, JR., PRESIDENT, HOWARD UNIVERSITY
 WILLIAM STUART NELSON, VICE PRESIDENT FOR SPECIAL PROJECTS
 G. FREDERICK STANTON, SECRETARY
 JAMES B. CLARKE, TREASURER
 WENDELL G. MORGAN, BUSINESS MANAGER
 JULIAN A. COOK, ARCHITECTURAL COORDINATOR FOR THE BUILDING PROGRAM
 VINCENT J. BROWNE, ADMINISTRATIVE ASSISTANT TO THE PRESIDENT
 CHARLES G. PALMER, DEPUTY ASSISTANT COMMISSIONER FOR DESIGN AND CONSTRUCTION, PUBLIC BUILDINGS SERVICE
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	6,846	8,222	9,387
Positions other than permanent.....	1,303	1,296	1,340
Other personnel compensation.....	12	12	12
Total personnel compensation.....	8,161	9,530	10,739
12 Personnel benefits.....	535	491	689
13 Benefits for former personnel.....	22	22	22
21 Travel and transportation of persons.....	156	127	129
22 Transportation of things.....	7	5	5
23 Rent, communications, and utilities.....	274	269	260
24 Printing and reproduction.....	92	94	95
25 Other services.....	840	612	597
26 Supplies and materials.....	1,290	1,282	1,327
31 Equipment.....	792	701	769
41 Grants, subsidies, and contributions.....	603	687	687
Total obligations.....	12,772	13,820	15,319

Personnel summary

	1962 actual	1963 estimate	1964 estimate
NONFEDERAL EMPLOYEES			
Total number of permanent positions.....	1,164	1,355	1,447
Full-time equivalent of other positions.....	1,325	302	302
Average number of all employees.....	1,489	1,657	1,749
Number of employees at end of year.....	2,197	2,388	2,480
Average salaries and grades:			
Grades established by Board of Trustees: Instructional			
Average salary.....	\$7,530	\$8,001	\$9,025
Grades comparable to general schedule grades:			
Average grade.....	4.9	5.2	5.3
Average salary.....	\$4,910	\$4,951	\$5,275
Average salary of ungraded positions:			
\$12,210 or above: Average salary.....	\$14,521	\$16,150	\$18,030
Less than \$12,210: Average salary.....	\$3,737	\$3,974	\$3,907

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. General administration.....	1,342	1,356	1,445
2. Resident instruction and departmental research.....	6,394	7,299	8,312
3. Organized research.....	983	900	911
4. University libraries.....	457	565	694
5. Operation and maintenance of physical plant.....	1,599	1,503	1,727
6. Auxiliary enterprises.....	1,454	1,591	1,624
7. Student aid.....	542	606	606
Total obligations.....	12,772	13,820	15,319
Financing:			
Advances and reimbursements from (—)—			
Other accounts.....	—450	—524	—581
Non-Federal sources ¹	—5,315	—5,804	—5,919
New obligational authority (appropriation).....	7,007	7,492	8,819

¹ Reimbursements from non-Federal sources are from tuition, other student fees, gifts and grants, endowment income and sales by auxiliary enterprises.

CONSTRUCTION*Object classification*

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
HOWARD UNIVERSITY			
21 Travel.....		5	6
24 Printing and reproduction.....		8	25
25 Other services.....	52	600	882
26 Supplies and materials.....			3
31 Equipment.....		80	0
32 Lands and structures.....		420	0
Total, Howard University.....	52	1,113	916
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel.....		3	2
24 Printing and reproduction.....	5	41	18
25 Other services.....	50	201	296
26 Supplies and materials.....	—2	150	
31 Equipment.....	2	1,420	816
32 Lands and structures.....	2,873	3,942	5,126
Total, General Services Administration.....	2,928	5,757	6,258
Total obligations.....	2,980	6,870	7,174

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Men's dormitory No. 4	4	135	3,314
2. Physical education building (women)			140
3. University development			1,725
4. Site details	2	18	86
5. University hospital	2	248	980
6. Social work building		50	6
7. Classroom building No. 2	17	1,825	340
8. Physical education building (men)	2,702	1,200	45
9. Powerplant facilities	204	717	101
10. Women's dormitory No. 7	15	2,031	436
11. Master development plan study		30	
12. Warehouse service building		563	
13. Home economics building	35	54	
14. Auditorium-fine arts building	-1		
Total obligations	2,980	6,870	7,174
Financing:			
Comparative transfers from other accounts (-)	-2,980	-6,870	
Unobligated balance transferred from (annual appropriation act) (-)			
"Plans and specifications"			-78
"Construction and purchase of buildings"			-973
Unobligated balance carried forward			122
New obligational authority (appropriation)			6,245

GENERAL STATEMENT

Mr. FOGARTY. Mr. Nabrit, we will be glad to hear your statement.

Mr. NABRIT. Thank you.

I would like to thank the committee for the appropriation in 1963.

This appropriation has enabled us to move forward on every level in the university and we feel that we are in the best position that the university has been in.

It does not mean we do not have problems, but it means a very definite forward step has been made. The university is very grateful to the committee and to the Congress.

Mr. FOGARTY. You know this committee did not think that anybody could take the place of Dr. Johnson. But after your presentation last year, we found that we were wrong. There was a person who could take his place and you did an exemplary and fine job in presenting the budget for the university.

Mr. NABRIT. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, the sum of \$8,819,000 requested for salaries and expenses for Howard University represents a net increase of \$884,000 above the regular appropriation of \$7,492,000 for the fiscal year 1963, plus the pending 1963 supplemental request in the amount of \$443,000.

The appropriation requested for 1964 is intended to assist the university in continuing to improve the qualitative level of its educational program, to accommodate increased enrollments, and to secure greater efficiency in the operation and maintenance of the physical plant.

The following items totaling \$717,816 are requested in connection with the first objective: (1) \$190,616 to partially adjust the salary

structure for teachers; (2) \$76,000 for merit salary increases for the teaching staff; (3) \$229,000 for 29 new teaching positions; (4) \$66,000 for supporting personnel in the instructional program; (5) \$56,200 for educational supplies, equipment, and related expense; and (6) \$100,000 to improve library services and purchase library equipment and books.

In order to facilitate improvement in the operation and maintenance of the physical plant, the sum of \$224,700 is requested as follows:

(1) \$41,000 for the operation and maintenance for 3 months of the new physical education building for men;

(2) \$83,000 for additional staff in the physical plant department;

(3) \$50,700 for supplies, equipment, and related expense for the additional staff; and

(4) \$50,000 for specific projects of rehabilitation.

An appropriation in the amount of \$155,384 is requested for staff benefits as follows:

(1) \$112,204 to provide a pay increase for nonteaching personnel;

(2) \$25,000 for within-grade salary increases; and

(3) \$18,180 for retirement contributions, social security, life insurance, and other staff benefits. An additional sum of \$36,329 is included to cover additional services rendered to Freedmen's Hospital on a reimbursable basis.

The gross increase in the amount of \$1,134,229 is offset by the following items totaling \$250,229:

(1) Nonrecurring items in the 1963 budget in the amount of \$150,000;

(2) \$63,900 in income on tuition and fees from the increased enrollment; and

(3) \$36,329 in reimbursements from Freedmen's Hospital.

Under construction, the sum of \$1,120,000 is requested for plans and specifications—\$140,000 for complete plans and specifications on a new physical education building for women, and \$980,000 in addition to \$250,000 already appropriated to complete plans and specifications on a new university hospital.

The sum of \$5,125,000 is requested for the following construction projects:

(1) \$3,314,000 for the construction of a men's residence hall;

(2) \$86,000 for site development; and

(3) \$1,725,000 to purchase a site for university expansion.

HISTORICAL AND BACKGROUND STATEMENT BY PRESIDENT

Mr. Chairman, I would like to have the next statement if I may, put in the record.

Mr. FOGARTY. We will put it in the record.

(The statement follows:)

HISTORICAL AND BACKGROUND STATEMENT BY THE PRESIDENT OF HOWARD UNIVERSITY

Mr. Chairman and members of the committee, I have the honor to present a historical and background statement about Howard University. The purpose of this statement is to provide information regarding the place of Howard University in higher education, the special relationship of the National Government to the university, and the present status of the university.

A. THE PLACE OF HOWARD UNIVERSITY IN HIGHER EDUCATION

Howard University was chartered by an act of Congress, dated March 2, 1867. The university consists of 10 schools and colleges, offering programs of higher education on the undergraduate, graduate, and professional levels. Undergraduate students are registered in the college of liberal arts. Graduate students seeking the master's and doctor of philosophy degrees are registered in the graduate school. Professional students are registered in the colleges of medicine, dentistry, pharmacy, fine arts (including the school of music and the departments of art and drama), and the schools of engineering and architecture, social work, law, and religion.

The founders of Howard University had as one of their principal purposes, the establishment of a university which would admit students of both sexes without regard to race, creed, color, or national origin. The general philosophy which guides the programs of Howard University can be stated as follows:

(1) The basic purposes and aims of a university are the development of an inquiring and discriminating mind, the education of youth to perform intelligently and responsibly the functions devolving upon effective citizens, education of members of professions and other vocations which require formal education beyond the high school, education of scholars and the encouragement and prosecution of research to extend the boundaries of knowledge, and the contribution of various educational services to the community at large. In the pursuit of these basic aims and purposes, Howard University is committed to excellence.

(2) Howard University is committed to the philosophy of the publicly supported university which holds that all persons irrespective of race, creed, color, sex, religion, or national origin who are capable of successfully pursuing a higher education should be given the opportunity to do so.

(3) Howard University is dedicated to the task of educating its students for a socially intelligent and a morally responsible life.

(4) As a matter of history and tradition, Howard University accepts a special responsibility for the education of capable Negro students, disadvantaged by the system of racial segregation and discrimination, and it will continue to do so as long as Negroes suffer these disabilities.

(5) Howard University also accepts a special responsibility to make a continuous and comprehensive study of disadvantaged persons in American society so as to contribute to the prevention, amelioration, and removal of disabilities caused by race, color, or social, economic, or political circumstances by (a) extending and intensifying its research efforts in the field of race and collateral areas, (b) helping its students, as potential leaders and effective citizens, to develop a basic understanding of and some critical intelligence in dealing with these problems, and (c) increasing its current efforts in the dissemination and preservation of knowledge in these special fields.

Throughout its 95-year history, Howard has been a pioneer in providing professional training for Negro students in medicine, dentistry, pharmacy, engineering, architecture, law, music, and social work as well as in the teaching profession and religion. The services of Howard have been of particular significance, for during much of this period, Howard was the only publicly supported university in the southern part of the country which made completely available to Negro students the broad programs of undergraduate, graduate, and professional education, usually characteristic of State universities. Among institutions in which Negro students are in a majority, Howard still stands as the only one affording a complex system of undergraduate, graduate, and professional training.

Since the date of its establishment in 1867, Howard has graduated 23,174 persons. The great majority of these graduates have been Negroes. The university has graduated a larger number of Negro physicians, dentists, pharmacists, engineers, architects, lawyers, and social workers than all other publicly supported institutions in the Southern States. The largest number of graduates have entered the field of teaching. In the field of medicine, there have been 3,239 graduates, 2,547 graduates have gone into dentistry and dental hygiene, 2,452 have entered the field of law, 822 have entered the ministry, 954 have gone into the fields of engineering and architecture, and 571 graduates have gone into social work. Numerous graduates of Howard have been engaged in Government activities, not only in the United States, but also in many countries abroad.

The importance of Howard in providing professional training for Negroes may be especially well illustrated by reference to the fields of medicine and dentistry. Howard University and Meharry College located in Nashville, Tenn.,

have been the leaders in the development of medical education for Negroes. The enrollment of medical and dental students at these institutions exceeds the enrollment of Negro students in all other medical and dental schools in the United States. Howard and Meharry continue to be the major source of Negro physicians, surgeons, and dentists.

The university continues, as always, to seek for its faculty the most able persons who are selected on the basis of their competence and character without regard to sex, race, color, creed, or national origin. It is to be noted also that the Howard faculty has always included the largest group of Negro teachers and scholars at the university level found anywhere in the United States. Indeed, many of the most outstanding Negroes in public life have served at Howard at some time during the course of their careers. Among such persons were the founder and operator of the first blood plasma bank, a governor of an American possession, an under secretary of the United Nations, and a member of a U.S. court of appeals.

During the present school year, a professor of law is on leave of absence to serve as chairman of the Public Utilities Commission of the District of Columbia. A professor of sociology is serving as a member of the Advisory Board of the National Capital Transportation Agency, and an associate professor of government has been appointed to the District of Columbia Board of Elections. These examples are illustrative of the service being given by many other members of the staff.

Members of the Howard faculty have also achieved distinction for their study and work in many countries abroad. During the summer of 1962, an associate professor of government was engaged in studying guerrilla warfare in Laos and Vietnam, and has won international acclaim for his publications on this subject. A professor of English is performing valuable work for the U.S. Information Agency in West Germany. The director of recording is on leave to serve as registrar during the initial development of a new university in Nigeria. A professor of anatomy is working in India on the staff of the Agency for International Development.

It is to be noted that the university has achieved a significant reputation for its services to foreign students. During the 1961-62 school year, there was a total of 937 students from outside the continental United States, including 2 possessions of the United States, 58 foreign countries, and 13 island possessions of the British, French, and Dutch West Indies. Approximately 15 percent of the students seeking degrees at Howard come from foreign countries. The percentage of foreign student enrollment in relation to the total student enrollment at the university continues to be the highest in any American university. Howard students have the rich experience of daily association with teachers and students who are representative of every race and color and all the major creeds in the world.

B. THE SPECIAL RELATIONSHIP OF THE NATIONAL GOVERNMENT TO THE UNIVERSITY

Following the establishment of the university in 1867, funds provided by the Federal Government were contributed toward the purchase of the first land and the erection of the first building. Soon thereafter, the university was associated with Freedmen's Hospital, which the Government had established to provide hospital and medical services for the emancipated slaves. This relationship between the university and Freedmen's Hospital has continued to the present day. It is to be noted that the present Freedmen's Hospital stands on grounds owned by Howard University and leased to the Government at the rate of \$1 per year. On the basis of a formal agreement with the Government, Howard University has the responsibility for rendering all professional services in the hospital. Until the present day, the programs of Howard and Freedmen's Hospital have provided the most important single training facility anywhere in the world for the medical education of Negro physicians and surgeons.

In 1879 Congress passed the first Government appropriation for the support of Howard University. This first appropriation was in the amount of \$10,000. Since that time, Congress has made continuous and increasing appropriations to the university, being convinced that it was thereby rendering a very greatly needed service in ways not otherwise provided. Until 1928 these appropriations

were made in the form of a voted gratuity without the support of substantive law. During the period of 49 years from 1879 to 1928, these current annual appropriations made by Congress to Howard increased from \$10,000 to \$218,000. A significance to be attached to the value of these appropriations is that Howard was able to survive as only one of many educational institutions which were similarly established in the period immediately following emancipation.

In 1928 the U.S. Office of Education called attention to the necessity of making Howard University into a first-class institution. It was pointed out that such a university freely available to the Negro people did not exist anywhere else in the United States. The act incorporating Howard University was amended soon thereafter, so as to provide substantive law for the making of annual appropriations to Howard. The pertinent provisions of this legislation are as follows:

"Sec. 8. Annual appropriations are hereby authorized to aid in the construction, development, improvement, and maintenance of the university, no part of which shall be used for religious instruction" (45 Stat. 1021, approved December 13, 1928).

On February 11, 1929, the Secretary of the Interior convened a very significant conference concerning Howard University. This conference was attended by representatives of various areas of the Government including the Bureau of the Budget, the Appropriations Committee of the House and Senate, the Department of Interior, the U.S. Office of Education, educational and philanthropic leaders, and trustees of Howard. It was agreed at this conference that Howard University should be placed on a first-class basis and the Office of Education was authorized to study and prepare a plan for the development of the university with this objective in mind.

The Office of Education then made a study of every aspect of the educational program at Howard. As a result of this study, a program to place the university on a first-class basis was worked out in detail.

The Government immediately undertook a program of providing increased financial support for the university. In successive steps, the appropriations for operations and expenses increased from \$218,000 in 1928 to \$675,000 in 1932. During the years of the economic depression, however, the growth of these current operating appropriations was ceased temporarily and the building program likewise came to a halt.

Beginning again in 1941, increased appropriations were made for the university rising to \$1,115,701 in 1946, and \$7,492,000 in the 1963 regular appropriation.

Congress approved in 1930 the first 20-year program for the development of the university, recognizing that the institution very much needed a new plant and the necessary equipment in order to carry out the program which it was intended to undertake. The 20-year program provided for the acquisition of additional land and the construction of more than 30 new buildings within the period of 10 years.

Between 1929 and 1933, Congress appropriated \$3,264,000 toward the construction of eight projects. These projects included three dormitories for women; a classroom building; a heat, light, and powerplant; a tunnel for the transmission of heat, light, and power; a chemistry building; and a general library building. In subsequent years, these buildings were all constructed and additional appropriations of \$1,297,700 were made for men's dormitories and for landscaping and repair of buildings. The land which was needed for these projects was obtained through gifts from private foundations. Beginning in 1936, there were no further appropriations for buildings until the close of World War II.

During the period beginning in 1946 and covering the immediately subsequent years, student enrollment at Howard was very greatly increased by the sudden impact of more than 2,600 veterans. This influx of students greatly overtaxed all of the facilities of the university. The Government alleviated the situation to some extent by providing the university with 13 temporary wooden buildings, and turning over for its use two permanent dormitory buildings which had been originally constructed for the housing of Government employees.

The university's funds for maintenance were limited to such an extent that it was impossible to provide the necessary upkeep of the plant with the consequence that there was heavy and rapid deterioration. As a result of the inadequacies of the university's physical plant, Congress in 1948 appropriated \$50,000 to provide for a restudy by the Public Buildings Administration of the 20-year plan which had been adopted in 1930.

Between 1948 and 1952, appropriations were authorized for 11 major building projects at a cost of \$18,493,221. During this period, there was the first sustained drive toward providing an adequate plant for the university since the series of appropriations made between 1927 and 1933. Five projects were completed during the period from 1950 to 1962.

The 1963 appropriation included funds for the construction of a classroom building for the College of Liberal Arts and a women's residence hall, the purchase of a warehouse service building, and improvements in the powerplant facilities. The 1964 estimates include requests for the construction of a men's residence hall, the preparation of plans and specifications for a physical education building for women, the purchase of land for the expansion of the university, the completion of plans and specifications for a new university hospital, and funds for site development.

C. THE PRESENT STATUS OF THE UNIVERSITY

The university's master development program agreed upon in 1961 was designed to serve 5,200 full-time students during the day and as many additional evening and summer school students as could be accommodated within the physical plant. This enrollment objective has already been exceeded. During the 1961-62 school year, the full-time equivalent enrollment was more than 5,400. During the entire period of the 1961-62 school year, including both the regular academic year and the 1961 summer session, the university served a total of 8,704 students. It is evident that the number of students enrolled at the university will continue to increase.

About two-thirds of the physical plant plan contemplated under the 1951 master development program has been completed. However, since the planned enrollment goal has been passed, it is apparent that Howard will have to provide for a larger number of students than was previously anticipated.

The new classroom building for home economics has been completed and was placed into service in December 1962. The new physical education building for men is well underway in construction, and it is expected that it will be ready for occupancy during the spring of 1964. Construction of a new classroom building for the College of Liberal Arts and a new women's residence hall will get underway during the spring of 1963. A warehouse service building has been purchased and is in process of renovation. Additions are being made to the powerplant facilities. Plans are now being worked on in preparation for construction of a new university hospital. Work is also going forward with respect to site planning. All of these activities indicate the progress which is now being made in the development of the university's physical plant.

There remains, nonetheless, a number of unfinished and urgent physical plant needs. These needs arise in the first instance from the present student enrollment. The anticipated increase in enrollment makes it even more necessary that the university expand its facilities.

Progress in the development of the construction program, while encouraging has not been nearly as fast as it had originally been planned. The university hopes that planning and construction funds for the long delayed remaining buildings can be made available soon in order that the full necessary physical plant can be completed and placed into operation at an early date.

There were 801 teachers serving the university during the 1961-62 school year. Of this number, there were 431 full-time teachers while 370 were part-time. The full-time equivalent of the teaching staff was 533.6. Of this full-time equivalent 472.7 were teaching in the rank of instructor or above. The 1962 appropriation included funds for almost the exact number of teachers needed for the enrollment estimated for that year. The university is therefore requesting 29 additions to the teaching staff because of increased enrollment since that time.

During the last 2 years, the university has been engaged in a thoroughgoing self-study project. This is a program in which, under the direction of one of the most distinguished members of our staff, every area of the university has been involved in an intensive analysis and appraisal of its work. The self-study project consists of three phases, two of which have now been completed. The first was directed toward a reexamination of the aims and purposes of the university with the evolution of a policy enabling each area of the university to see the goals of the university and the place which each school, college, and administrative area has in the achievement of these goals. The second phase was aimed at ferreting out particular problems in each area of the university. Thus, all the faculties and administrative divisions spent many hours in getting answers to specific questions, with no aspect of the university's operations remaining untouched.

The self-study project is now in its third and final phase which includes (1) a comprehensive statement and understanding of problems, (2) the laying out of possible solutions to these problems; and (3) the development of a timetable for the implementation of decisions and the formulation of criteria by which to judge the degree of success in achieving the university's goals.

Howard University seeks to become a first-class university in every respect and is committed to excellence, not only in its teaching and research programs, but in its administrative operations as well. These aspirations are, of course, no different from those of other universities. Howard University, however, represents an achievement of very great significance to the Negro people and to the country. Even though the State universities in the South are gradually opening their doors to Negro students, this is only the beginning of a change which will still take many years in order to reach full realization of the day when students and teachers will be selected throughout the country on the basis of merit—without regard to race, color, or creed.

Until that time comes, Howard University will be one place in the country where the people of the United States have joined to express their desire that the Negro minority have free access to all the benefits of higher education in a comprehensive undergraduate, graduate, and professional program. This manifestation at Howard of the high possibilities of democracy continues to be one of the truly bright spots of American culture and development.

Every unfinished element in the development of the university which leaves it short of first-class performance should be overcome as rapidly as possible, so that not only the Negro people themselves, but all the people of the United States and people everywhere who are watchful of what our country does, will see in Howard an unequivocal expression of our country's purpose to remove the disadvantages of race, color, and creed.

In this new world in which the winds of revolution have produced so much change, Howard ably serves our country. To advance its program, to strengthen its resources, to raise its standards is to assist the advancement of our national goals and interests. This country and all the world needs the talents of all the people. They are needed now and desperately so.

STATEMENT BY THE PRESIDENT OF HOWARD UNIVERSITY ON "SALARIES AND EXPENSES"

SALARIES AND EXPENSES

Mr. Chairman and members of the committee, on behalf of the board of trustees and faculties of Howard University, I wish to express our very great appreciation to you and the Members of Congress for making available to the university an appropriation of \$7,492,000 for salaries and expenses in fiscal year 1963. This increased appropriation enabled the university to raise the qualitative level of the educational program, and also helped to obtain improvement in the operation and maintenance of the physical plant.

The budget estimates for 1964 respectfully request a total appropriation of \$8,819,000 for salaries and expenses. This request represents a net increase of \$884,000 over the regular 1963 appropriation of \$7,492,000 plus the 1963 supplemental request which is now pending. The 1963 supplemental estimate is in the amount of \$443,000 and includes \$348,000 to provide for salary increases and costs related to postal rates; and \$95,000 for unemployment compensation coverage.

The increase requested in the 1964 budget estimates may be summarized as follows:

I. For improvements in the instructional program and the accommodation of increased enrollment:	
A. Reforms in the salary structure of the teaching staff for fiscal year 1964-----	\$190,616
B. Merit salary increases for teachers-----	76,000
C. New teaching positions (29) to accommodate the increase in enrollment-----	229,000
D. Personnel (15) for support to additions in the teaching staff-----	66,000
E. Educational supplies, expense, and equipment, including postage-----	56,200
F. Library services, equipment, and additions to the book collections-----	100,000
Total-----	<u>717,816</u>
II. For rehabilitation of the physical plant and improvements in its maintenance and operation:	
A. Operation and maintenance of the new physical education building for men for 3 months-----	41,000
B. Additional staff (25) for the prevention of accumulated deterioration and improvement in supervision-----	83,000
C. Operational supplies, equipment, and expense in support of additions to the staff-----	50,700
D. Projects for rehabilitation of the physical plant-----	50,000
Total-----	<u>224,700</u>
III. For staff benefits	
A. Salary increase for nonteaching staff for fiscal year 1964-----	112,204
B. Within-grade salary increases for nonteaching employees--	25,000
C. Retirement contributions, social security tax, and other staff benefits costs related to salary increases-----	18,180
Total-----	<u>155,384</u>
IV. For services rendered to Freedmen's Hospital on a reimbursable basis-----	
Total, gross increase-----	<u>1,134,229</u>
Deduct:	
1. Nonrecurring items in 1963 appropriation-----	150,000
2. Estimate of non-Federal income resulting from increased enrollment-----	63,900
3. Reimbursements from Freedmen's Hospital-----	36,329
Total-----	<u>250,229</u>
Net increase in 1963 appropriation-----	<u>884,000</u>

I. FOR IMPROVEMENTS IN THE INSTRUCTIONAL PROGRAM AND THE ACCOMMODATION
OF INCREASED ENROLLMENT, \$717,816

1. *Salary increases for teaching staff, \$266,616*

It is respectfully requested that the sum of \$266,616 be approved for the purpose of providing salary increases for teachers; namely (1) a general salary increase for these employees as an additional step in the program to bring their salaries up to an acceptable level, \$190,616, and (2) merit salary increases for teachers selected for outstanding individual performance, \$76,000.

2. *Salary reform program for teaching staff, \$190,616*

The passage by the Congress, of Public Law 87-793 (approved Oct. 11, 1962) containing a section dealing with Federal salary reform, gave the university an opportunity to look afresh at its salary structure for teaching personnel. On 13 previous occasions, the Congress has given consideration to both teachers and nonteachers, providing both groups with cost-of-living pay increases or general salary adjustments in line with those granted employees of the Federal Government. Shortly after the passage of the Federal Salary Reform Act of 1962, the university registered a hope with the Department of Health, Education, and Welfare that its employees would be given consideration for pay increases comparable to those granted to Government employees.

The salaries of teachers at Howard are not set forth in a fixed schedule, whereby a teacher enters service at a given salary level and then moves up automatically each year. The university, however, does have a minimum salary for each instructional rank, with advancement of salary for the rank based upon performance. There is no fixed ceiling assigned to a given rank. In such a salary system, the average salary for each rank may be compared with criteria available from several sources, but particularly with data available in the U.S. Office of Education.

In making a study of instructional salaries at Howard University, keeping in mind the declaration of policy contained in the Federal Salary Reform Act of 1962, which provides in substance that "Federal Salary rates shall be comparable with private enterprise salary rates for the same levels of work," we selected as a basis for comparison a group of 17 universities composed of institutions located in the North, South, Midwest, and West, supported by public as well as private funds, and which have instructional curriculums and organization similar to those found at Howard University. We found generally that salaries at Howard University fell below the median mean salary for the comparable group of 17 universities. The disparity is quite substantial in the ranks of professors and associate professors for all of our schools and colleges. Medical salaries in particular suffer heavily in this type of comparison.

Howard University's efforts to reform the salary structure for its teachers are fixed, therefore, on an attempt to eventually raise the present salary averages for each rank in each school and college to a point above the median mean salary found in this comparable group of 17 universities. We are proposing that this advance be accomplished in stages; namely, an initial step through the request for \$214,546 in a 1963 supplemental appropriation, and an additional step is proposed through an increased appropriation of \$190,616 in the regular 1964 estimates. The approval of this salary reform program will greatly strengthen Howard University's chances of retaining able teachers and attracting effective teachers as replacements or additions to our staff.

2. *Merit salary increases for teachers, \$76,000*

It is requested that \$76,000 be made available to provide merit salary increases for teachers in the regular ranks of professors, associate professors, assistant professors, and instructors. Congress has appropriated funds for this purpose on four previous occasions, as follows: \$46,000 in 1956, \$65,000 in 1958, \$65,000 in 1962, and \$65,000 in 1963. Members of the teaching staff at Howard University do not receive periodic salary increases. Aside from cost-of-living and across-the-board salary increases, the salaries of teachers at Howard have been raised only when funds for merit salary increases have been provided.

Appropriations for merit salary increases make it possible to give an increase in pay to those members of the regular teaching staff who perform at an excep-

tionally high level of competence. These increases enable the university to improve the salaries of teachers and scholars who have given evidence of unusual academic promise and scholarly achievement. Increases of this kind also place the university in a stronger position to attract and hold teachers of significant accomplishment. The merit salary program is considered to be an integral part of the university's effort to strengthen the existing salary structure for teachers and to achieve the objective of placing Howard salaries above the median mean for a group of comparable institutions.

3. New teaching positions to accommodate the increase in enrollment, \$229,000

It is respectfully requested that Congress appropriate the amount of \$229,000 to provide 29 new teaching positions to accommodate the increased enrollment of students in the college of liberal arts, the graduate school, and other instructional areas served by the staff of the college of liberal arts. The 1962 appropriation included funds for almost the exact number of teachers needed for the enrollment estimated for that year. It is expected however, that during the 1962-63 school year, there will be 320 more full-time students in the liberal arts complex which teaches students enrolled in the graduate school, the school of engineering and architecture, the college of fine arts, and the college of pharmacy, as well as students enrolled in liberal arts. In addition, it is estimated that there will be at least another 155 students added in this area of the university during the 1963-64 school year. Thus, we shall have at least 475 more students in the liberal arts complex in 1964 than we had in 1962. The overall student-teacher ratio which we are endeavoring to maintain is that of 1 teacher for each 13.1 students.

The addition of 29 teaching positions will improve the effectiveness of our program in a number of ways. It will be possible to reduce the size of many classes which are now too large. The new teaching staff will bring strength to our Ph. D. programs and help to reduce the teaching loads of selected faculty members from 15 hours per week to a point where they will be able to devote more time to research which is necessary for a successful graduate program. We will be able also to strengthen the programs in home economics and enlarge the teaching staff in languages.

4. New nonteaching positions as support for new teaching positions, \$66,000

The Congress is respectfully requested to approve an appropriation in the amount of \$66,000 to provide 15 nonteaching positions as support for the 29 new proposed teaching positions. These 15 new positions include laboratory assistants, technicians, research assistants, and clerks to support the new teachers who are requested as a means of accommodating the increased enrollment in the liberal arts complex. The request for these 15 new positions is based on the ratio of approximately one-half of a supporting position for each full-time teacher. The allowance of this request will make it possible for members of the faculty to be free from some of their routine responsibility and enable them to devote more time to teaching and research.

5. Educational supplies, expense, and equipment, including postage, \$56,200

The university respectfully requests the sum of \$56,200 to be appropriated to provide additional supplies and equipment for use in the educational program. This request is based first of all upon the criterion of undergirding each new teaching position by a minimum of \$1,800 for supplies, equipment, and related expenses. The availability of needed educational supplies and equipment very greatly enhances the effectiveness of teachers. It is, in fact, essential that teachers obtain the supplies and equipment necessary in their work if we are to improve their efficiency and help them to make the most productive use of their time.

While the university presents its request for teachers, supporting positions, supplies, and equipment as three separate items, they are in reality part of a complete unit of instruction. There is an interrelatedness among them, and a deficiency in any one of these areas impairs the effectiveness of the total teaching program.

The sum of \$5,000 included in this total request of \$56,200 is intended to cover the added cost of postage in 1964. This expense was increased through enactment of Public Law 87-793, approved October 11, 1962.

6. *Library services, equipment, and additions to the book collection, \$100,000*

It is respectfully requested that \$100,000 be made available in order to improve library services, to purchase needed equipment, and to make additions to the book collections. The university proposes to use \$13,740 of this amount for three new library positions and to spend the remaining amount for books, periodicals, and the binding of periodicals. In particular, this appropriation will greatly strengthen the general library, the law library, the medical-dental library and the engineering library.

For many years, the libraries of the university have been in urgent need of improvement. In the last 2 years, more adequate financial support of the libraries has been obtained. In the 1963 fiscal year, the Government appropriated \$100,000, to which was added \$100,000 by the university from the increase in student tuition and fees. This moved the university in the direction of getting partial relief in the library deficiency estimated in 1961 to be approximately \$913,167. Even now, however, among the libraries of 89 public universities, the libraries of Howard University remain at approximately the median in terms of volumes, number of library personnel, and operating expenditures. The libraries of the university are a crucial element in the total educational program, and it is essential that they be strengthened greatly if the educational program is to improve.

II. FOR REHABILITATION OF THE PHYSICAL PLANT AND IMPROVEMENT IN ITS MAINTENANCE AND OPERATION, \$224,000

1. *Operation and maintenance of the new physical education building for men, \$41,000*

It is respectfully requested that \$41,000 be made available for operation of the new physical education building for men which is to be completed and placed in service during the fourth quarter of fiscal year 1964. The use of this building will add 113,500 net square feet of space to that already maintained by the university. The sum herein requested will provide the staff and operation and maintenance funds required to service the building for 3 months. Facilities now used by these activities will be retained for use by the college of liberal arts in order to provide additional class-rooms and office space.

2. *Additional staff for the prevention of accumulated deterioration and improvement in supervision, \$83,000*

It is respectfully requested that an appropriation of \$83,000 be made available in order to add staff to the physical plant department. Additional staff will make it possible to eliminate some of the deterioration which is presently taking place in the physical plant. It will also enable the university to undertake a program of maintenance designed to prevent further deterioration.

The educational plant of the university excluding auxiliary enterprises such as dining halls, dormitories, bookstores, etc., in 1948 consisted of 23 buildings with approximately 524,228 net square feet. There will be 38 such buildings on the campus in 1963 containing 1,144,965 net square feet of usable space. In 1948 the Public Buildings Administration completed a survey of the physical plant which concluded that the plant then in existence required a staff of 189 men. The university at that time had a staff of 131 men. Even though the net square feet of usable space has increased by 118 percent, we have now only 16 more employees in this area than the 189 recommended in 1948.

The university has encountered severe difficulty as a result of not having adequate funds for the staff necessary to operate and maintain the physical plant. Repairs to buildings and mechanical equipment, for example, are frequently postponed until they become critical. It has not been possible (1) to maintain desirable schedules of painting and refurbishing, (2) to maintain a high standard of cleanliness in our buildings, or (3) to purchase modern equipment as a basis for introducing better techniques of operation and maintenance. The approval of this request will greatly aid the university in overcoming an area of very significant deficiencies.

3. *Operational supplies, equipment, and expense in support of additions to the staff, \$50,700*

An appropriation of \$50,700 is respectfully requested in order to provide the needed supplies, equipment, and related expense in support of the new positions in the physical plant department. This item is necessary in order that the new positions are given necessary support in the form of supplies, materials, and equipment as well as the related personnel benefits which include retirement premiums, life insurance, social security, and unemployment insurance. The allowance of this request will enable the new personnel to operate as effectively as possible.

4. *Projects for rehabilitation of the physical plant, \$50,000*

A request for this item of \$50,000 is respectfully presented in order to accomplish specific projects of rehabilitation. These projects include repairs in Founders Library, the school of social work building, the Douglass Hall classroom building, the preclinical medical building, the chemistry building, and the Slowe Hall dormitory, in addition to repairs on campus walks and roadways.

III. FOR STAFF BENEFITS, \$155,384

1. *Salary increase for nonteaching staff on fiscal year 1964, \$112,204*

An appropriation in the amount of \$112,204 is respectfully requested in order to provide salary increases for the nonteaching staff for fiscal year 1964. The 1963 supplemental request of \$109,046 which is presently pending includes a proposal for a pay increase for the current year. The granting of this request will help the employees of the university to meet the increased cost of living, and will provide them with a raise in pay similar to that recently granted by the Government to its employees, effective January 1, 1964.

2. *Within-grade salary increases for the first longevity step, \$25,000*

It is respectfully requested that an appropriation of \$25,000 be made available to provide the eighth step (the seventh step above the base salary) of the within-grade salary schedule, comparable to that which has been established for employees of the Federal Government. In the 1957 appropriation, provision was made to make nonteaching salaries equivalent to those prevailing under the general schedule and to initiate the first step of the within-grade salary increase above the minimum. In fiscal 1960, steps two, three, and four above the base salary were added. Additional steps were added in 1961 and 1962. The present request for an appropriation of \$25,000 is for the purpose of continuing the installation of a complete within-grade program which the Congress has previously approved.

3. *Retirement contribution, social security, and other personnel benefit costs related to salary increases, \$18,180*

It is respectfully requested that an appropriation in the amount of \$18,180 remain available in order to assist the university to meet the necessary costs arising from the retirement contributions, social security and other personnel benefit expenses related to salary increases.

IV. FOR SERVICES RENDERED TO FREEDMEN'S HOSPITAL ON A REIMBURSABLE BASIS, \$36,329

The gross increase in obligations for Howard University includes items for Freedmen's Hospital in the amount of \$36,329. These items will be justified by Freedmen's Hospital in their 1964 budget estimates.

Offsets to gross increase in obligations for Howard University

The gross increase in obligations for the university totals \$1,134,229. This increase is offset by the sum of \$250,229 which is made up as follows: (1) three nonrecurring items in the 1963 appropriation totaling \$150,000; (2) The estimated amount of \$63,900 resulting from the tuition and fees income on the increased enrollment, and (3) reimbursement from Freedmen's Hospital in the amount of \$36,329.

CONSTRUCTION, HOWARD UNIVERSITY

On behalf of the board of trustees and faculties of Howard University, I wish to express our very great appreciation to you and Members of Congress for making an appropriation of \$5,531,000 available in fiscal year 1963. This appropriation will make it possible to construct a classroom building and

women's residence hall, to purchase, remodel, and equip a warehouse service building, and to improve our electrical distribution system.

The 1964 budget estimates request the approval of an appropriation of \$6,245,000, which is intended for plans and specifications on building projects in the amount of \$1,120,000; and for construction projects in the amount of \$5,125,000.

A. Plans and specifications, \$1,120,000

The sum of \$1,120,000 is respectfully requested for two projects as follows: (1) complete plans and specifications on a new physical education building for women at a cost of \$140,000; and (2) the balance required for preparation of plans and specifications for a new university hospital, \$980,000.

The physical education program for women is conducted in a gymnasium building which was constructed in 1922. This building contains about 45,000 square feet of usable space of which 1,400 square feet is used by the university health service, 3,300 square feet by ROTC, 4,400 square feet by the physical education program for men, with about 12,000 square feet for use by women. This building also includes a swimming pool which is shared by both men and women. If the present building were given over in its entirety to the women's program, it would still be inadequate. The building contains only four activity spaces, all of which are unsatisfactory in various ways. The gymnasium is too small to accommodate a standard-size basketball court. The swimming pool is only 20 feet by 60 feet with space on the sides of less than 4 feet. The ceiling is too low to be safe for diving. The space for lockers, showers, and equipment storage is grossly inadequate. In addition, the building has a structural defect in one area and the District of Columbia government has required a reduction in the number of persons who may use it at one time. The heating, ventilating, and purification of water supply systems are below reasonable standards.

The requested sum of \$980,000 for plans and specifications is for the new university hospital. The sum of \$250,000 has already been provided under Public Law 87-332, approved September 30, 1961, as partial cost of plans and specifications for the new hospital authorized in the transfer provisions of Public Law 87-262, approved September 21, 1961.

A building program for the new hospital has been prepared by the university and has been submitted to the Department of Health, Education, and Welfare for its review and submission to the Bureau of the Budget. The request here presented will permit preparation of complete plans and specifications on this authorized facility.

B. Construction, \$5,125,000

It is respectfully requested that \$5,125,000 be provided for construction projects as follows: (1) \$3,314,000 for construction of a new men's residence hall; (2) \$86,000 for site development; and (3) \$1,725,000 to provide a site for the physical expansion of the university.

Under Public Law 87-290, approved September 22, 1961, Congress appropriated the sum of \$139,000 for the preparation of plans and specifications for the men's dormitory project. The building program for this project has now been completed as well as the diagrammatic sketches. It is expected that complete plans and specifications will be ready in time for construction to start in the third or fourth quarter of fiscal year 1964.

The housing of students is one of the major problems at Howard University. The gross enrollment for the first semester of the current school year approximates 6,200. Among these are 3,610 out-of-town men and 1,675 women from out-of-town. There are residence hall facilities available for only 724 men and 916 women. There are, therefore, 3,645 students from out-of-town, beyond the regular 1,640 capacity provided in the university's residence halls. The university has found it necessary to convert many of the double rooms into triple rooms so as to accommodate some of these students on the campus. It has also been necessary to assign a person on the staff to assist students in finding suitable accommodations in private homes in the city.

The shortage of residence hall facilities at the university is so acute that it is impossible to provide housing facilities for large groups of students who seek accommodations. There are no housing facilities on campus for graduate, professional, or married students. Further, a large majority of junior and senior male students in the undergraduate colleges are housed off-campus. There is a rapidly growing degree of dissatisfaction among students and their parents because of the inconvenience, the difficulty in protection and supervision, and the additional cost arising as the result of being housed off-campus.

The proposed building will house 400 students and have a gross area of 133,000 square feet. The scarcity of land will necessitate the building to be six or more stories high. It is proposed that this building be air conditioned. It is our hope to have several of our buildings air conditioned so as to facilitate more intensive use of facilities either in our regular summer program or through extended academic terms.

Site development, \$86,000

It is respectfully requested that an appropriation be made in the amount of \$86,000 to partially develop the campus site in accord with the university's master development program. Under Public Law 87-290, approved September 22, 1961, Congress appropriated \$20,000 for the development of detailed planning for campus areas other than those adjacent to newly constructed buildings. It is expected that the work on these plans will be completed by the end of fiscal year 1963. The work proposed in site development will accomplish the following specific objectives: (1) establish three major entrances to the campus—one on the east side and two on the west; (2) improve the general landscaping of the campus with the view of making the campus more attractive and at the same time causing a reduction in landscape maintenance problems and cost; (3) improve the campus lighting system; (4) provide for changes in the system of walks and roads to conform with the patterns and volume of traffic; and (5) provide a larger number of automobile parking spaces on the campus.

The appropriation of \$86,000 here requested is intended to accomplish two of the five objectives. The sum of \$26,000 will be allocated for the improvement of campus lighting as a means of providing safety for members of the campus community. The remaining \$60,000 will be devoted toward the provision of additional automobile parking spaces.

Site for university expansion, \$1,725,000

It is respectfully requested that an appropriation in the amount of \$1,725,000 be made available for the purchase of and the removal of improvements from Griffith Stadium property.

A recent preliminary study of the university educational program, in terms of current as well as long-range physical facility needs, indicates that the ability of the university to acquire additional land will have a determinative effect upon the future growth of the institution. It was pointed out in the master development program in 1951, 12 years ago, that additional land would be required for three major physical facilities. The university now proposes to look to the future for at least two decades. We see a university meeting the educational needs of 12,000 full-time equivalent students instead of the 5,200 projected in 1951 and the 6,200 students now at Howard. We see further the need for additional buildings both to strengthen and to expand the curriculum of our present educational programs. While specific buildings have not been finally determined, the new facilities needed include classroom buildings, residence halls, science laboratories, library additions, housing for faculty, housing for married students, an athletic field, housing for alumni activities, housing for guidance and counseling services, a hospital and medically related services. The growth of the university in terms of students and staff will also intensify the present parking problem. Howard University is desperately in need of additional land for both its present and future program.

The proposed purchase of Griffith Stadium will add 384,638 square feet or approximately 9 acres of land to the campus. This land is adjacent to the southern end of the campus. It has the distinct advantage of being obtainable in one piece, without dispossession of either business or residences. Acquisition by Howard University will likewise speed the development of the area surrounding Howard University in line with proposals now being considered by the National Capital Planning Commission as a part of the plans for urban renewal. Failure to take advantage of this opportunity now may seriously jeopardize any future expansion of the university, since we are limited in expansion possibilities to the north, east, and west of the campus. The opportunity to secure this land comes at a critical period in the development of the university and it is hoped that we can take advantage of it.

INCREASE REQUESTED FOR 1964

Mr. FOGARTY. The appropriation for 1963, including the estimated pay supplemental, is \$7,935,000 and the request for 1964 is \$8,819,000,

an increase of \$884,000. Other income for 1963 totals \$6,387,000 and is estimated to total \$6,500,000 for 1964, an increase of \$113,000.

Only \$77,000 of this increase comes from non-Federal sources.

Mr. NABRIT. That is right.

Mr. FOGARTY. This seems to me to be a little lopsided for the increase in Federal funds to be over 10 times the increase in non-Federal funds. Is there any good reason for that?

What is the main reason?

Mr. NABRIT. Well, the main reason, Mr. Chairman, is that most of this increase comes from the pay increase which we have asked for, part of it in the 1963 supplemental and other parts of it we are asking in this request.

INCREASE FOR PAY COSTS

Mr. FOGARTY. You have a supplemental request pending for \$348,000 for pay costs. Would you explain what that covers?

Mr. NABRIT. Yes. The \$348,000 is made up of pay increases for teaching personnel, \$214,546; and for nonteaching personnel, \$109,014; making a total of \$323,560. The personnel benefits which go along with these pay increases total \$19,440, and \$5,000 of the \$348,000 is to cover the increase in postage.

There is also a requested amount of \$95,000 to cover the cost of unemployment compensation, as required by the law passed by Congress.

You may remember we asked for this \$95,000 last year, and the bill was passed by both Houses, but they adjourned before action was completed. That covers the first part of it.

Mr. FOGARTY. How much is in the 1964 increase for the same thing?

Mr. NABRIT. For the same thing in 1964, for the increased pay costs for teachers, \$190,616; and for the increased pay for nonteachers, \$112,204.

UNEMPLOYMENT COMPENSATION EXPENSE

Mr. FOGARTY. Now, also, in the supplemental is \$95,000 for unemployment compensation expense?

This is something new, is it not?

Mr. NABRIT. Yes, it is new in the sense that the Congress only passed the law a year ago. Before that time the universities were not included in the District law.

Mr. FOGARTY. I see.

Mr. NABRIT. When Congress changed the law, then that threw the universities in, so we asked for \$95,000 in order that we could pay our share of the cost.

Mr. FOGARTY. How much of the 1964 increase is for this?

Mr. NABRIT. None. The \$95,000 is carried forward, but there is no increase in it.

NEW POSITIONS

Mr. FOGARTY. The main part of your increase is to fund 92 positions. This is a fairly sizable increase. It will make an increase of almost 25 percent in 2 years. Put a detailed statement in the record, and then tell us why these additional people are needed.

(The statement follows:)

New positions requested—Fiscal year 1964

	Grade	Rate	Salary
Resident instruction and departmental research:			
Professors (7).....		\$10,500	\$73,500
Associate professors (7).....		8,500	59,500
Assistant professors (8).....		7,125	57,000
Instructors (7).....		5,571	39,000
Research assistants (4).....	GS-6.....	4,830	19,320
Laboratory assistants and technicians (4).....	GS-5.....	4,345	17,380
Clerical assistants (7).....	GS-4.....	4,040	29,300
Total, resident instruction and departmental research (44).....			295,000
General library:			
Library assistant (1).....	GS-7.....	5,355	5,355
Research assistant (1).....	GS-5.....	4,345	4,345
Circulation reference clerk (1).....	GS-4.....	4,040	4,040
Total, general library (3).....			13,740
Operation and maintenance of physical plant: Expansion of maintenance and security staff (9 months' operation):			
Building repair:			
Locksmith (1).....	Ungraded position.....	4,499	3,307
Skilled laborer (1).....	do.....	3,806	2,855
Architect (1).....	do.....	6,435	4,826
Floor and tile man (1).....	do.....	5,075	3,806
Furniture refinisher (1).....	do.....	5,075	3,806
Laborers (2).....	do.....	3,095	4,643
Painter, master (1).....	do.....	5,075	3,806
Painter (1).....	do.....	4,867	3,650
Total, building repair (9).....			30,699
Mechanical services:			
Maintenance engineer (1).....	Ungraded position.....	5,075	3,806
Maintenance clerk (1).....	do.....	4,040	3,030
Mechanical engineer (1).....	do.....	6,995	5,246
Electronic repairman (1).....	do.....	5,075	3,806
Plumber, master (1).....	do.....	5,304	3,978
Laborers (2).....	do.....	3,078	4,617
Total, mechanical services (7).....			24,483
Custodial services:			
Repairman for shades and blinds (1).....	do.....	5,075	3,806
Janitor, utility (1).....	do.....	3,494	2,621
Janitors (5).....	do.....	3,075	11,531
Total, custodial services (7).....	do.....		17,958
Guard service:			
Safety and security officer (1).....	do.....	7,560	6,808
Watchman (1).....	do.....	4,069	3,052
Total, guard service (2).....	do.....		9,860
Total, expansion of maintenance and security staff (25).....	do.....		83,000
For operation of new physical education building for men (3 months operation):			
Janitors (9).....	do.....	3,075	6,919
Skilled craftsmen (4).....	do.....	3,891	3,891
Skilled craftsman (½).....	do.....	3,784	473
Skilled laborers (4½).....	do.....	3,494	3,931
Laborer (1½).....	do.....	3,247	1,218
Laborer (½).....	do.....	3,075	108
Total, operation of new physical education building for men (20).....	do.....		16,540
Total, operation and maintenance of physical plant (45).....	do.....		99,540
Total new positions—all activities (92).....			408,280

ENROLLMENT

Mr. NABRIT. In the first place, Mr. Chairman, last year we had an increase in our enrollment which we can now verify of 390 students.

Mr. FOGARTY. What does that bring it up to now?

Mr. NABRIT. Our present gross enrollment for 1962 is 5,806—for 1962 through 1963, which is this year, 6,161.

Mr. FOGARTY. Is that a table that you have going back 7 or 8 years?

Mr. NABRIT. It goes back to 1959.

Mr. FOGARTY. Will you put that table in the record?

Mr. NABRIT. Yes. That is page 217.

I should add page 218 because that gives the full-time equivalent for the same years.

Mr. FOGARTY. We will put them both in.

(The tables follow:)

HOWARD UNIVERSITY

Gross enrollment by schools and colleges for first semester of 1962 compared with 1961, 1960, and 1959

	1st semester gross enrollment			
	1959-60	1960-61	1961-62	1962-63
Graduate and undergraduate:				
1. Graduate school.....	370	405	467	494
2. Liberal arts.....	2,602	2,871	3,221	3,535
Total.....	2,972	3,276	3,688	4,029
Professional schools:				
3. Engineering and architecture.....	757	764	724	690
4. Fine arts (music, art, and drama) ¹	138	151	232	260
5. Social work.....	122	129	117	141
6. Medicine.....	353	362	377	387
7. Dentistry.....	296	309	309	308
8. Pharmacy.....	156	175	170	167
9. Law.....	105	105	128	127
10. Religion.....	44	47	61	52
Total.....	1,971	2,042	2,118	2,132
Total, gross enrollment.....	4,943	5,318	5,806	6,161

¹ Art and drama department were transferred from liberal arts to fine arts in fiscal year 1961. The enrollment for the junior department of music is not included.

Full-time equivalent enrollment by schools and colleges for fall semesters of years 1960 through 1964

	1959-60 actual	1960-61 actual	1961-62 actual	1962-63 estimate	1963-64 estimate
Graduate and undergraduate:					
1. Graduate school.....	375	388	400	420	441
2. Liberal arts.....	2,465	2,704	2,879	3,179	3,338
Total.....	2,840	3,092	3,279	3,599	3,779
Professional schools:					
3. Engineering and architecture.....	826	830	730	730	657
4. Fine arts (music, art, and drama).....	152	163	262	262	262
5. Social work.....	163	184	167	167	167
6. Medicine.....	353	362	377	382	390
7. Dentistry.....	296	309	309	341	360
8. Pharmacy.....	156	175	170	170	183
9. Law.....	105	105	128	132	132
10. Religion.....	44	47	61	61	61
Total.....	2,095	2,175	2,204	2,245	2,212
Total, full-time enrollment.....	4,935	5,267	5,483	5,844	5,991

Mr. NABRIT. Our gross enrollment for 1961 was 5,318. For 1962 it was 5,806, which was already a 500 increase and for this year it is almost 300.

Mr. FOGARTY. Are you talking about 1963 or 1964?

Mr. NABRIT. This particular year we are in now, the year that ends in June. We have had in this period an increase of about 800 students. We estimate for next, 1964, that we are going to have 190 students as an increase.

Mr. FOGARTY. What will that make the gross total?

Mr. NABRIT. That will make our gross total 6,350. And that will make our full-time equivalent about 6,200 or 6,150.

JUSTIFICATION OF PERSONNEL INCREASES

We took the position in 1961 that we would absorb this increase because I did not want to ask for any additional teachers. But now, by the time we get to 1964, it is too large a number for us to absorb so we are asking for 29 teaching positions because of this increased enrollment.

The second thing, when we get 29 teachers, the usual formula in educational institutions for the nonteaching supporting personnel is about 1 to 2, so we asked for 15 nonteaching positions to support these 29 teaching positions. So 44 of these 92 positions—in the request come to you because of the increase in enrollment and they are teachers and teacher-supporting personnel. Three of these positions are for the library. Remember, you gave us \$100,000 and we put up a hundred thousand dollars from fees so we could build up our library over a period of 4 years. This is part of that provision and we are asking for a hundred thousand dollars for the library. There are only three positions in that. So that makes 47 positions. All of those 47 positions are in the educational program—the actual instruction part of it. That leaves 45 positions and of these 25 positions are asked for, for the addition to our staff for maintenance.

As you recall, we have year after year been asking for projects in order to try to get our plant in order and keep it from running away from us. We have always been short the necessary number of people to take care of the plant, ever since the Public Buildings Service surveyed our plant several years ago. At that time, on the basis of the square footage we had, we needed a certain number of positions. That square footage has more than doubled and we still have just reached the point where they said we should have been then. So we just don't have enough positions to take care of the size of our plant. We are asking for 25 positions in order to achieve the solution of that problem.

In addition to that, we will have a new building going into service, the physical education building. In the physical education building, which will be in operation for a quarter during the next year, we will need to have a quarter of these positions for that period. We are asking for 20 persons for the operation of that building. This is one of the largest buildings, if not the largest building on the campus. We are asking for nine janitors, four skilled craftsman, four skilled laborers.

Mr. FOGARTY. You can put a more detailed statement in the record.
 Mr. NABRIT. All right.
 (The statement follows:)

II-B ADDITIONAL STAFF FOR THE PREVENTION OF ACCUMULATED DETERIORATION,
 AND THE IMPROVEMENT IN SUPERVISION—\$83,000

The 1963 appropriation provided 15 of 40 new positions requested as a means of bringing the physical plant staff up to a level which could eliminate the needs for continued special appropriation to eliminate accumulated deterioration.

In 1948, the Public Buildings Administration, Federal Works Agency, completed a survey of the Howard University physical plant which concluded, in the area of operation and maintenance, that the university was undertaking to perform services normally required of 189 men, with a limited staff of only 131. The report pointed to the urgent need for 58 additional positions to the staff.

The educational plant of Howard University (excluding auxiliary enterprises, such as dining halls, dormitories, bookstores, etc.) in 1948 consisted of 23 buildings with approximately 524,228 net square feet. There will be 38 buildings in existence on the campus, in 1963, containing 1,144,965 net square feet of usable space. The additional 620,737 square feet of space represents an increase of 118 percent.

The staff has been increased since 1948 by 74 positions, as a result of requests for "Operation and maintenance" appropriations on newly constructed buildings, and as a result of the approval of 15 new positions in the 1963 estimates. These additions bring the budget staff of permanent positions to 205, or only 16 more than the 189 recommended in 1948 for a plant with 524,228 net square feet.

The following is a list of positions requested with estimated salaries for each item:

	Number of positions	Recom- mended salary rate	Full salary required for year	Amount re- quired Oct. 1, 1963, to June 30, 1964
Building repair:				
Locksmith.....	1	\$4,409	\$4,409	\$3,307
Skilled laborer.....	1	3,806	3,806	2,855
Architect.....	1	6,435	6,435	4,826
Floor and tile man.....	1	5,075	5,075	3,806
Furniture refinisher.....	1	5,075	5,075	3,806
Laborer.....	2	3,095	6,190	4,643
Painter, master.....	1	5,075	5,075	3,806
Painter.....	1	4,867	4,867	3,650
Total.....	9		40,932	30,699
Mechanical services:				
Maintenance engineer.....	1	5,075	5,075	3,806
Maintenance clerk.....	1	4,040	4,040	3,030
Mechanical engineer.....	1	6,995	6,995	5,246
Electronic repairman.....	1	5,075	5,075	3,806
Plumber, master.....	1	5,304	5,304	3,978
Laborer.....	2	3,078	6,006	4,617
Total.....	7		32,495	24,483
Custodial services:				
Repairman for shades and blinds.....	1	5,075	5,075	3,806
Janitor, utility.....	1	3,494	3,494	2,621
Janitors.....	5	3,075	15,375	11,531
Total.....	7		23,944	17,958
Guard service:				
Safety and security officer.....	1	7,560	7,560	6,808
Watchman.....	1	4,069	4,069	3,052
Total.....	2		11,629	9,860
Grand total.....	25		109,000	83,000

PERMANENT POSITIONS 1954-64

Mr. FOGARTY. Will you put a table in the record showing the total number of permanent positions for each of the years 1954 to 1964?

Mr. NABRIT. Yes, sir.

(The table follows:)

Permanent positions at Howard University 1954 through 1964

Fiscal year:	Number	Fiscal year—Continued	Number
1954-----	828	1960-----	992
1955-----	757	1961-----	1,074
1956-----	811	1962-----	1,275
1957-----	846	1963-----	1,328
1958-----	947	1964-----	1,447
1959-----	926		

RESEARCH PROGRAM

Mr. FOGARTY. Tell us something about your research program. How much of the funds you spend on research are from the appropriation and how much from other sources and what progress you are making.

Mr. NABRIT. This is one of the most encouraging things that you have enabled us to do at the university. Three years ago we did not have a teaching assistant at Howard. We didn't have a thing, in our regular budget, for research at all. The research which took place at the university was all outside research, sponsored by Government, NIH, or different corporations or companies. Now our research budget from that standpoint runs around \$900,000 a year.

As you know, some universities have that part of their budget larger than the whole operating budget—larger than the rest of the university. We have \$900,000 in outside sponsored research.

Well, now, this committee enabled us to put \$200,000 into our budget for research at the time we raised the fees. You gave us half the money and half came from fees. That has done three things primarily, which to me are simply astounding and exciting.

In the first place, we had Ph. D. programs at Howard in physics, chemistry, physiology—but no Ph. D. programs at all in the humanities or social sciences. As a result of this money you gave us we have been able to offer the Ph. D. degree in history and in English, and in September we will offer the Ph. D. degree in political science. We won't offer it in economics or psychology at this time. We are not strong enough. It will take us some time to build up the staff and get the books and all of the things necessary to do it. We have the students, so we don't have that problem.

Now, the first thing that this money enabled us to do then was inaugurate Ph. D. programs (which were examined and found to meet all qualifications by the top people in the field) in English, political science, and history. So that we now have three Ph. D. programs in the humanities and social sciences—the first that we have had at Howard. That was the first thing we could do.

The second thing we could do with this money was to spark research activities and stimulate the faculty in the humanities and social sciences. We get plenty of encouragement if we want to do research in the sciences, but not in the humanities and social sciences. So we were able in a very short time, with the aid of the research committee composed of the graduate deans and Dr. Vincent Browne, to have the bulk of this money committed for research programs. That was for research projects within the university, centered within the university, and that has given the university a new life and spirit.

The committee will be very proud to know that as a part of the research activities in the social sciences, aided by medicine—because we had to have public health—Howard University has for the first time been able to direct some of its research on the problems in the community in which it is living.

We are next to the second precinct, which is one of the tough precincts in the city. The faculty members of the school of social work, in the social sciences, and in the department of public health in the medical school have worked out, in cooperation with the ministers and churches in the 45th census tract in the second precinct, a project whereby we are enabled to study first of all, what kind of home and family situation of the people in that tract is—as to marital status, whether parents are together, what kind of child problems they have, whether they have delinquents in the home, what kind of life the family lives, every kind of social analysis of every one of the families in this tract.

Now, to show you how this thing grows, and the thing that I am saying you should be proud of, after only a year, the Meyer Foundation gave us \$90,000 to be spread over 3 years to continue this same thing.

In other words, when we showed the interest and showed the technical know-how, then other agencies got interested, so that now we are now turning our attention to a tract on the north side of the campus.

MR. FOGARTY. Is the Meyer Foundation you referred to, the local one?

MR. NABRIT. It is Eugene and Agnes Meyer of the Washington Post who set up a large foundation which makes grants for projects which are concerned with the Washington community. So I would like to report to you that this has done more to stimulate research, in enabling us to also try to extend the university, to improve our home community, and to improve our own educational program for the Ph. D. than any other single thing.

FEDERAL FUNDS RECEIVED BY UNIVERSITY

MR. FOGARTY. Please place in the record the total amount of Federal funds you received for any purpose from other Federal sources in 1962, broken down to show the source and purpose of each, and an estimate for 1963.

(The information follows:)

Funds received and obligated from Federal Government agencies for year 1962, with estimate for year 1963

Source of funds	Total amount received and obligated	Purpose		
		Research	Training	Other
Fiscal year 1962 (actual):				
National Institutes of Health.....	\$726,032	\$460,081	\$265,951	
National Science Foundation.....	72,424	52,507	19,917	
Office of Vocational Rehabilitation.....	28,003		28,003	
U.S. Navy.....	8,086		8,086	
National defense program.....	148,829		19,409	¹ \$129,420
Atomic Energy Commission.....	39,503	27,904	11,599	
U.S. Army.....	30,996	30,996		
Peace Corps.....	5,965		5,965	
U.S. Air Force.....	18,970			² 18,970
Total.....	1,078,808	571,488	358,930	148,390
Fiscal year 1963 (Estimate):				
National Institutes of Health.....	750,000	480,000	270,000	
National Science Foundation.....	75,000	50,000	25,000	
Office of Vocational Rehabilitation.....	28,000		28,000	
U.S. Navy.....	8,000		8,000	
National defense program.....	221,904		40,000	¹ 181,904
Atomic Energy Commission.....	40,000	28,000	12,000	
U.S. Army.....	15,000	15,000		
Peace Corps.....	170,000		170,000	
U.S. Air Force.....	19,000			² 19,000
Total.....	1,326,904	573,000	553,000	200,904

¹ National defense loan funds.

² Uniforms.

ENROLLMENT 1950-64

Mr. FOGARTY. Also place in the record a table showing for each year 1950 through the estimate for next school year the freshman class, the average enrollment, the size of the freshman class, and the number of graduates for each of those years.

(The information follows:)

Enrollment for full year, freshman class, and graduates for all schools and colleges year 1950 through 1964

School year	Actual enrollment for year ¹	Full-time enrollment for year ¹	Freshman class	Graduates
1950.....	6,629	5,733	1,365	887
1951.....	5,926	5,056	1,111	862
1952.....	5,602	4,650	1,117	616
1953.....	5,378	4,003	1,181	695
1954.....	4,922	3,630	1,341	571
1955.....	4,204	3,828	1,244	514
1956.....	4,730	4,040	1,357	554
1957.....	5,020	4,282	1,429	560
1958.....	5,356	4,558	1,528	631
1959.....	5,959	5,009	1,743	636
1960.....	6,507	5,611	2,005	680
1961.....	6,910	5,976	2,107	673
1962.....	7,118	6,393	2,132	731
1963 ²	7,479	6,731	2,543	800
1964 ²	7,671	6,904	2,761	850

¹ Including summer sessions.

² Estimate

CONSTRUCTION

Mr. FOGARTY. The construction request is for \$6,245,000 for five projects.

HOSPITAL

The sum of \$980,000 is for plans and specifications for the hospital. The justifications are about as vague as they can get. On page 254 you say, "If the architect can start this work by June 1, 1963, the following may result." "If" and "may." You are not very positive about this to say the least.

Mr. NABRIT. I will answer this.

Mr. FOGARTY. Are you not sure of yourself?

Mr. NABRIT. I am sure of myself but I am not sure of the speed that the Bureau of the Budget is going to deal with this.

Mr. FOGARTY. I can go along with you on that.

Mr. NABRIT. That's what is holding me up. They said to me—and I think they are right—they said to me, "Don't you hire this architect until we have approved a limit of cost for this project."

Mr. FOGARTY. With the Bureau of the Budget that could take forever.

Mr. NABRIT. I think they are moving along—although they have taken more time than I would like to see. I think they are asking good questions.

Mr. FOGARTY. What is the latest status of this?

Mr. KELLY. The university used the consultant, Dr. Nelson, of the hospital at Johns Hopkins in developing a total space program. We went over it with Dr. Haldeman and his group. We then went back to the university and after they had answered some of our questions and incorporated some of our suggestions, we submitted it to the Bureau of the Budget.

They came back with a group of questions related to workload and space planning, designed to be sure that we are developing an adequate teaching hospital and that we have thought through the space requirements for it. Dr. Nabrit put his staff to work, including Dr. Nelson, to answer those questions and—

Mr. NABRIT. They have been submitted 10 days ago.

Mr. KELLY. The Department now has the university's answers under review and we hope to forward them to the Bureau of the Budget in the very near future.

Mr. FOGARTY. If that much headway is made, then, you ought to get going by June 1, should you not?

Mr. NABRIT. That's what I am hoping.

COST ESTIMATES

Mr. FOGARTY. How much has already been appropriated?

Mr. NABRIT. \$250,000.

Mr. FOGARTY. What is the estimate of the total cost?

Mr. NABRIT. That's what they are trying to settle now, the estimates that we have—

Mr. FOGARTY. What was your estimate?

Mr. NABRIT. Our estimate was \$21 million. They have been dealing with figures from \$18 million to \$24 million.

Mr. FOGARTY. So it is in that area somewhere?

Mr. NABRIT. That is right.

Mr. FOGARTY. What was the estimate at the time hearings were held on the authorizing legislation?

Mr. NABRIT. That did not set the limit of cost in dollars. It set a limit by saying that the hospital is not to exceed 500 beds.

Mr. KELLY. There was legislative history though, Dr. Nabrit, for a much lower figure—I think somewhere around \$10 million. But there are several points that should be made as to why we are now thinking in terms of larger figures.

No. 1, it was anticipated when the earlier figure was prepared, that some of the beds would be provided in existing facilities. The space plan that we are now talking about does not accommodate any of the beds in the present facilities, but it is a cost estimate assuming all new construction. And the second thing is that when the legislative history was developed on the hospital, it contemplated only prices clearly associated with additional hospital beds. The space planning the university has done includes a significant amount of space for necessary things associated with the teaching of medicine and which most appropriately can be located in the hospital building; such things as the medical library, teaching space, nursing school space and so forth, which were not anticipated or were not provided for in the earlier estimates.

NEED FOR LAND ACQUISITION

Mr. FOGARTY. You are requesting \$1,725,000 to acquire the old baseball stadium. You ought to take your time and give us a good justification for this because many Members of Congress, including some of this committee, have been protesting against the building of facilities in the Washington area, any new facilities.

Mr. NABRIT. Mr. Chairman, I think that the first justification has just a slight historical background to it.

When the last look at the university was had by the Government and the President's program was designed—and we are now at the upper end of the completion of the building program—it was thought of as a university with 5,200 full-time students. We have more than 6,000 full-time students now. I am talking about full-time equivalent. So we already have over 800 students past the number that we thought of as the ultimate size of the university. So that increased size, alone, in the enrollment has made inadequate the land which we thought was adequate for the plan at the time this program was designed.

But there is another reason this land is inadequate in addition to just the amount of size and that is the changes in the educational field. These changes themselves make changes in the buildings and equipment necessary.

For example, it would be impossible for Howard University to maintain the kind of standards which it has at present if, in the future, the university has no building or equipment for nuclear studies. It would be just as the school would have been without physics 50 years ago. We just have to have it. That is not changing the program; that is not adding anything to it. That is just moving the program with the changes in education.

Well, the same thing that you can say in physics you can also say in nuclear studies, you can also say, this in mathematics, space mathematics, that whole area. So Howard University will require additional kinds of building and equipment to do the same programs that they are doing, but brought into line with the present scientific advancement.

So that even if we had this same enrollment of 5,200 and held to it, we would need this additional land.

The third reason we need this additional land is that in designing the program for 5,200 students, we did not take into account the amount of space that was needed for recreation and for parking. The District now makes adequate off-street parking space mandatory, when you put up a building. If we didn't have any different programs or if we didn't increase our size we would still need some additional land.

Now, if we think of the many things which we don't do at the university which we should do, if we had adequate land, then there is even more reason.

For example, the needed increase in our library facilities. We need another building for library purposes. We do not have any accommodations for married students at Howard. That picture has changed from the time I was in school, when they would send you home if you were married. Now a fourth or more of your students are married.

Mr. FOGARTY. What did they do during the war and right after the war? We had many married students at that time.

Mr. NABRIT. What we did at that time was just let them stay separately. We just didn't have any space for them. We don't have it now. I am simply saying these are some of the things that a normal development would require.

In the second place, the university is not exactly like a government agency. Mr. Chairman, it is much easier for an agency of the Government to go outside of the Washington area where it is self-contained, but the university is not like that. You couldn't move a university library or something somewhere else out of the Washington area.

TYPE OF AREA

Mr. FOGARTY. What about the criticism of Members of Congress about building more facilities in the District? Some people have found fault with new facilities within the Washington area—within 30 or 40 miles of the city.

Mr. NABRIT. I was going to try to get to that by saying this: We are in an area which has been declared a blighted area by the redevelopment people and they have made a study and they are now in the process of condemning some places, and you know what they go through to decide what can be done. So that something has to be done in our area by somebody. They are either going to have business buildings there or apartment houses are going to be built there, or we will be able to use some of the land because it has already been declared a redevelopment area.

It would seem to the university that in this particular piece of land which we are talking about, which would illustrate the differ-

ences in this whole matter of building within the District, here is a piece of land with no businesses on it, no residence is on it, nothing except some stands which would have to come down. It is next to the Howard campus. The back of the stadium is our fence for the medical school. It is adjacent, one continuous piece of land. It has no problems of disrupting people who live there. The Government, itself, has surveyed this and decided that this is a fair price, the price that is here. This was arrived at by the Government, not by us. It was arrived at by appraisal, personal inspection, and by negotiation with the owners.

It seemed to us that the Government could not possibly carry this argument of not putting any more buildings in the District to that extent. It seems to me there has to be some limit. It is not an iron-clad rule. I think what they want to say is they would not like to see the Government take up all of Washington with Government buildings. That is one thing. But that isn't to say, for example, if Congress needs some additional space for carrying on the business of Congress, we are going to keep them——

Mr. FOGARTY. We will just go on putting them up.

Mr. NABRIT. I hope the same rules on a lower scale would apply to us. We need it.

Mr. FOGARTY. I am not one of those who made these protests.

Mr. NABRIT. They are in the District and they don't want the President to put a building in front of the White House. They want to keep it. You can twist these things just so far.

Mr. FOGARTY. I do not think a building ought to be put in front of the White House.

Mr. NABRIT. I don't think so, either. That doesn't mean way out where we are we can't put a building.

Finally, I would like to say this on this point. Congress has already decided to build this hospital, so it is going to be built whatever they think.

Mr. FOGARTY. That is right.

STATUS OF NEGOTIATIONS AND FUTURE PLANS

What negotiations have already been carried on?

Mr. NABRIT. We have a contract, an option to purchase at the price which the Government has agreed on and——

Mr. FOGARTY. Do you have any ideas as to what specific facility you would ask funds to construct here in future years? Do you have any plan?

Mr. NABRIT. We have a study—you gave us the money—we are making the study. Mr. Justement's firm is making the study now and will finish it some time during this year.

Mr. FOGARTY. Just what will the \$1,725,000 cover?

Mr. NABRIT. That covers the cost of the land, and the estimated cost by the Government of what it would require to tear down and get rid of those stands. They are concrete and embedded and it would cost some money.

Mr. FOGARTY. How does the amount just for the land compare with land prices paid currently in this area?

Mr. NABRIT. According to the GSA people, a very reasonable price—they think it is a reasonable price.

Mr. FOGARTY. You wouldn't favor a branch of the university outside of the Washington metropolitan area?

Mr. NABRIT. It would depend on what kind of branch it was. For example, I could conceive of some self-contained unit being outside of Washington, because many universities do have that. But it would have to be something which had everything that is required within that unit.

DETAILED JUSTIFICATION OF CONSTRUCTION PROTECTS

Mr. FOGARTY. All right, will you place in the record a statement in justification of each of the three projects for which you are requesting funds?

(The information follows:)

MEN'S DORMITORY BUILDING NO. 4

1. *Appropriation request.*—Request is here respectfully made for an appropriation of \$3,314,000 to construct and equip a men's dormitory building, which is designed to accommodate 400 men.

2. *Plans and specifications.*—The Congress appropriated the sum of \$139,000 under Public Law 87-290, approved September 22, 1961, for the preparation of plans and specifications on this building project. The building program is now complete, and the architect is now working on the diagram drawing stage. It is estimated that the working drawings on this project will be complete by November 1, 1963. Construction may begin as early as February 15, 1964, if this request is approved.

3. *Estimated cost of the project.*—Based upon the building program prepared by the university, and the design of the project, the Public Buildings Service has estimated that the total project will cost a total of \$3,453,000 when completed. The sum of \$139,000 has already been appropriated for plans and specifications, thereby leaving \$3,314,000 to be appropriated to cover the cost of construction.

4. *Need of additional dormitory accommodations for men.*—A major housing problem has been produced by the steadily climbing enrollment at Howard University. A few brief statistics will reveal the critical situation with which the university is faced, because of the housing shortage as it relates to out-of-town students. The total estimated gross enrollment of the university for the first semester of 1962-63 school year will be approximately 6,200. Numbered among these students are 3,610 out-of-town men. There are 1,675 out-of-town women. Dormitory facilities are currently available for only 724 out-of-town men, and 916 out-of-town women. There are 3,480 undergraduate and graduate out-of-town students beyond the regular 1,640-bed capacity provided in university residence halls. It has been necessary to convert double rooms into triple rooms so as to accommodate some of the youngest undergraduate males in university residence halls and to house 1,379 of the undergraduate male students in private homes, many of which are located a great distance from the university campus. It has also been necessary to assign a person on the staff to secure and check on housing accommodations in private homes. In view of the fact that the enrollment of the university will probably increase at the rate of 10 percent each year, with most of the increase for undergraduate schools and colleges, there appears to be seen no relief for the acute housing problem in the years ahead.

The housing shortage at Howard University is further emphasized by the fact that it is now impossible to provide any housing accommodation for large groups of students. There are no housing facilities at the university for graduate and

professional students, male or female. The large majority of junior and senior male students enrolled in the schools and colleges, admitting students directly from high school, must be housed off campus. There is no housing for married students. There is a growing degree of disappointment and unhappiness among students who must be housed off campus, and their parents, because of the inconvenience, difficulty of protection and supervision, and additional cost.

The construction of the proposed dormitory building will bring to a total of 1,124 the number of campus housing accommodations available at the university for male students. It will be a major step toward relieving the housing situation, especially for undergraduate out-of-town male students.

At the present time, 957 male students are housed in three campus dormitories, including those housed in triple rooms. The women's dormitory, which is now being planned as No. 58 on the master development plan, will provide accommodations to house 300 additional women students. This additional housing will provide accommodations for most of the out-of-town undergraduate women currently enrolled at the university, but will not provide for growth or accommodation of professional women students.

The constantly increasing need for additional campus housing is related directly to the increased yearly enrollments and retention of students of the past 5 years, and to the great decline in available housing accommodations for male students in university-approved private homes in the community contiguous to the university campus.

Since 1955, the total undergraduate student population of Howard University has increased approximately 10 percent each year over the preceding year. Predictions based on available statistics and reports of the Office of Education indicate the continuance of increased college enrollments for the next 10 years. Without additional campus housing facilities the only alternative will be for the university to place a restriction on the number of new students admitted each year, thereby denying many qualified high school graduates the opportunity to acquire a college education.

Since campus dormitories are designed and operated to provide living conditions most favorable for the optimum academic and personal development of the residents, Howard University finds it most desirable to give housing priority to its younger students entering the university direct from high school. In the four divisions of the university which admit these high school graduates, this semester's male enrollment was 2,826. Only 706 of these were from the District of Columbia. Of the males enrolled in the other divisions of the university, 1,040 were nonresidents of the local community. Practically all upperclass and undergraduate students, medical, dental, and other advanced graduate and professional students, must seek living accommodations off campus, usually at considerable distance from the campus, higher rentals, and at increased transportation costs. As a result of the distance many must travel each day to and from the campus, these students suffer additional hardships because they find it impossible to utilize the total resources of the university campus, thus making it difficult for them to compete with campus residents able to spend more time in the campus libraries and laboratories.

The proposed men's dormitory building is urgently needed even now and its immediate planning and construction is necessary to resolve the present situation related to men's housing.

5. *Description of building.*—The building is to be designed to house 400 students, with dining facilities to accommodate 400 at one time. The dining room is needed to provide meal service for the 400 residents in the building and 480 additional residents in Cook and Drew Halls. This facility will also provide accommodation for some of the nonresident students and staff, who find it necessary to avoid the overcrowded dining hall in the Tubman Quadrangle. The plan arrangement of the students' rooms, the provision of a small library, rooms for group study and tutors are all designed to develop higher academic achievements. The building will require a gross area of 133,000 square feet to meet the requirements. The scarcity of land will require the building to be six or possibly more stories high. The building is to be air-conditioned in accordance with the program that one complement of buildings, such as a dormitory for women, and one for men; a library; a classroom building; and a dining facility; would make

possible more intensive use of facilities in summer programs or extended academic terms.

Men's dormitory No. 4

	Total	Plans and specifications	Construction
Expenditures:			
1962 (actual)	\$4,300	\$4,300	-----
1963 (estimated)	87,000	87,000	-----
1964 (estimated)	436,700	30,700	\$406,000
1965 (estimated)	2,317,000	17,000	2,300,000
1966 (estimated)	608,000	-----	608,000
Total, expenditures	3,453,000	139,000	3,314,000
Obligations:			
1962 (actual)	4,300	4,300	-----
1963 (estimated)	134,700	134,700	-----
1964 (estimated)	3,314,000	-----	3,314,000
Total, obligations	3,453,000	139,000	3,314,000

SITE DEVELOPMENT

1. *Appropriation request.*—Request is here respectfully made for an appropriation of \$86,000 to develop the campus site in accord with the “master development program.”

2. *Plans and specifications.*—The Congress appropriated the sum of \$20,000 under Public Law 87-290, approved September 22, 1961, for the development of detail plan for campus areas other than those that are adjacent to newly constructed buildings. Work on these plans is expected to be completed by the end of fiscal year 1963.

3. *Estimated cost of the project.*—The building program office at the university has estimated that \$86,000 will be needed to develop two phases of this total project.

A. Improvement in the campus lighting system, \$26,000: The general lighting of the campus presently consists of some original lighting which is no longer in keeping with the new development of the campus, both as to position and to type. As the campus has developed, additions and changes have taken place in spots in connection with new buildings and as extensions of their electrical system. Adequate lighting is much needed for the protection of the students, as incidents over the recent past have demonstrated.

B. Provision for automobile parking, \$60,000: The problem of providing parking for a reasonable complement of automobiles in off-street locations is a universal problem. There is, however, a number of parking spaces that may be regarded as reasonable minimum. The open land situation is such that this minimum requires the use of every space possible without destroying the appearance of the campus. The increase in the number of students, faculty, and nonteaching personnel has made the situation critical. The spaces now available are well below the number required by zoning regulations. At present there are only 306 permanent parking spaces available. It is hoped that this number can be doubled through the more intensive use of space available.

SITE FOR UNIVERSITY EXPANSION

1. *Appropriation request.*—Request is here respectfully made for an appropriation of \$1,725,000 to enable the university to purchase the Griffith Stadium site, and to clear the site, as a means of providing additional land to accommodate anticipated need for expansion of physical facilities.

2. *Estimated cost of the site.*—The estimate of appropriation here presented is based upon an agreed-upon selling price arrived at through negotiation with the owners of the Washington American League Baseball Club. An estimate to cover cost of clearing the site of its present improvements, has also been included.

3. *The university's need for additional land.*—The university initiated in 1961 a self-study program which had as its objective a thorough analysis of the university's organization, instructional program, physical facilities, objectives, and student services. This study was hardly underway, when it was realized that the land available for campus purposes was quite inadequate for the projection of an increase in student full-time enrollment from 5,200, the goal of 1951, which exceeded in 1962 to 12,000 full-time enrollment estimated for 1982, or the next 20 years.

The university has for many years been guided by a comprehensive plan for the development of the physical plant. In 1929 a conference was called by the Secretary of the Interior to establish a plan for the development of Howard University during the period from 1931 to 1941. A plan was approved and considerable progress was made in its implementation. The national defense activities of 1941 and the entry of the United States in World War II at the end of that year, caused the suspension of further physical development of the building program and brought about other interim changes.

When the building program was resumed in 1946, it was deemed advisable to examine the 1931 plan in terms of the then current conditions and objectives. As a result, a study was undertaken by the General Services Administration through an appropriation from the Congress, which led to a master development program which was adopted in 1951. The university is presently operating under this program.

It was determined by the university in 1951 that during the ensuing 20-year period, the total enrollment in the 10 schools and colleges of the university would consist of a full-time equivalent of 5,200 students as an average for each regular school year. In view of the fact that some students do not take a full complement of courses, the actual number of students as persons was considered normally to exceed the 5,200 number by an estimated number of 12 to 20 percent. This enrollment was not intended to include students enrolled in the summer school or in any extension programs upon which the university might embark. It was also estimated that about 18 to 25 percent of the student body would be representatives of the District of Columbia, the other 75 to 82 percent to come from the States and foreign countries. It was also proposed that dormitories accommodating 1,100 men and 1,100 women, totaling 2,200 students, would be constructed to house the full-time students residing on the campus.

The enrollment goal proposed in 1951 has already been exceeded. For the fall term of 1962-63, there are more than 6,200 students at Howard University with a full-time equivalent in excess of 5,800. This year's growth exceeds last year's enrollment by approximately 8 percent.

As a further introduction to the problems of our land space, it should be pointed out that the 1951 master plan geared to the rather limited enrollment of 5,200 students, was by no means an ideal plan. It was recognized, even at that time, that our campus of 50.5 acres could not accommodate every one of the buildings which we needed. It was anticipated that if the building program was to move to its ultimate goal certain facilities would have to be placed off the present campus. The facilities to be located off campus included faculty housing, a stadium, and a warehouse-service building.

The need for additional land which existed in 1951 is even more acute in 1963. The buildings which have been constructed at the university since 1951 have all been placed on the campus only as the result of fitting them very tightly into our available space.

Since we began the implementation of our 1951 plan, our experience has been that in terms of our facilities, we feel a pinch whenever there is any significant addition or change in the type of our educational programs. To illustrate, in recent years, there has been a tremendous acceleration in our research, especially with respect to sponsored research projects. The majority of these projects are in the sciences and in medicine. This type of research requires the installation of new equipment and new laboratories. The resulting demands for space are heavy.

At the same time, we must very greatly enlarge our programs of basic research. At the present time, we offer the Ph. D. degree in only six fields. However, we must necessarily expand this work and expansion will require new facilities. Since 1951, there has been an introduction of and an increased use of language laboratories and the teaching of languages. We are only getting started in this type of teaching. One of the major reasons for our delay in doing so

arises from our difficulty in finding the space which could be used exclusively for this purpose. In recent years we have begun a program in African studies. In order to carry on this work, special facilities and space have had to be made available. Necessarily, we must embark upon an expanded African studies program as well as engage in other area studies. Here again, we have had to proceed carefully and slowly in view of the buildings and land space available to us. It is also our plan to begin soon a program of nuclear studies. This program alone requires a special facility and about one acre of land.

The university's current study of the master development program proposes to look into the need for additional classroom buildings, residence halls, science laboratory facilities, library facilities, faculty housing, and married student housing. It is further proposed to study how the university can best accommodate alumni activities, student counseling, and guidance services, university-wide student and staff health services, the new university hospital and related facilities, recreational space, and motor vehicle parking. As already pointed out, the present enrollment for the university and the present educational programs of the university place considerable pressure upon us for further physical and land expansion. Any future growth in enrollment or types of educational programs at the university will make our present situation that much more difficult and acute.

In our current situation we find all of our classroom buildings in heavy use. Office space is at a premium and many members of the faculty do not have any office space. Our present athletic field is very much overused. On the same field, we play football, baseball, soccer, and other outdoor sports, including track and field events. We have more than 1,000 ROTC students who drill in the same area. We do not have even a single tennis court on our campus or unallocated play space for dormitory residents. The physical education programs for men and women are severely handicapped. We are not able to provide adequate space where students can engage in unorganized sports activities outside the programs of the physical education departments.

We have a critical shortage of parking space at the present time. This problem becomes even more acute as we increase the size of our teaching and non-teaching staffs.

In considering the matter of our physical resources, it is important to take a look at the actual site of the university. The site occupies 50.5 acres of developed land at one of the highest elevations in the city. The main campus is a rather rectangular area extending from W Street on the south as far as Harvard Street on the north. The north line of the campus area is only 1 block long. The McMillan Reservoir is adjacent to the main campus on the east. There are 2 additional blocks in this campus area which are across Fourth Street and south of the reservoir. One of these blocks is opposite what we call our lower quadrangle area and the other block is opposite Freedmen's Hospital.

The west boundary of the campus follows Georgia Avenue, with continuity broken by the Miner Building of the District of Columbia Teachers College and a number of apartment buildings and commercial properties. The Banneker Recreation Center is located across Georgia Avenue from the campus. The powerplant is located in the block immediately south of the main campus and just due west of Freedmen's Hospital. Freedmen's Hospital and a public playground adjoin the south line of the main campus and separate the main campus from the college of medicine and the college of dentistry. In addition to this main campus area, we have two dormitories which are located in a nearby area, approximately 3 blocks away. One of these dormitories is at 1919 Third Street NW., and the other is at 211 Elm Street NW.

It can be readily seen, therefore, as the Office of Education indicated in its 1961 inspection report of Howard University that "the existing campus at Howard University is rapidly approaching saturation. It is imperative that action be taken soon if the university needs to acquire additional land for future campus expansion."

The increase in the number of college and university students all over the country is quite well known. Howard University is, of course, very much affected by the national trend. We are, however, at this very time engaged in reviewing our plans to determine how much of an increase in enrollment the university will absorb. While our study of enrollment is not completed at this time, we believe that we need to plan for a full-time equivalent enrollment 7,500 students within

the period of the next 5 to 7 years, and 12,000 full-time students within the next 20 years. This initial estimated increase of approximately 2,000 students beyond the number which we now have, in addition to the planned changes in program, makes it necessary that we expand the land utilized by the university.

The preliminary survey undertaken during 1962 by a member of our department of architecture developed that the land required for expansion purposes would exceed our present 50-acre campus by more than 100 percent. Admitted this figure needs to be precised by a more extensive survey than could be possible with present staff and time limit. This information was valuable, and leads the university to the general conclusion that the present campus land space is totally inadequate for needs anticipated during the next 20 years.

These general conclusions reached by the university have been confirmed in a feasibility study undertaken by the National Capital Planning Commission of the Howard University area. Their interest in the area centers upon the elimination of blight, and the creation of facilities which will be harmonious with a university setting.

While the land needs of the university are major in scope, the acquisition of the Griffith Stadium site will add approximately 9 acres in one piece to the campus, since this property is contiguous to the southern boundary of university property.

NEW TEACHING POSITIONS

Mr. DENTON. Would you put in the record pages 180, 181, and 182?

Mr. KELLY. Yes, sir.

(The pages follow:)

NEW TEACHING POSITIONS FOR THE ACCOMMODATION OF INCREASED ENROLLMENT, 29 POSITIONS, \$229,000

1. It is respectfully requested that the Congress approve the sum of \$229,000 for the establishment of 29 teaching positions, which will be needed to accommodate the increased enrollment in the College of Liberal Arts, the Graduate School, and other instructional divisions served by the College of Liberal Arts.

2. *Need for additional teachers.*—The College of Liberal Arts has sustained a sizable and steady growth during the past 5 years, as attested to by enrollment data for the first semester on a full-time equivalent basis.

Years	Total	Number of full-time students taught by liberal arts faculty				
		Graduate school (100 percent) ¹	Liberal arts (100 percent) ¹	Engineering and archaeology (43 percent) ¹	Fine arts (21.5 percent) ¹	Pharmacy (50 percent) ¹
1957-58.....	2,481	243	1,846	300	28	64
1958-59.....	2,761	314	1,998	353	29	67
1959-60.....	3,306	375	2,465	355	33	78
1960-61.....	3,571	388	2,704	356	35	88
1961-62.....	3,734	400	2,879	314	56	85
1962-63 ²	4,054	420	3,179	314	56	85
1963-64 ²	4,209	441	3,338	282	56	92

¹ Percentage of enrollment taught by the liberal arts faculty.

² Estimates.

It can thus be seen that the actual increase over the past 5 years is 1,253, or approximately 59 percent. It is expected that the 1962-63 enrollment for the liberal arts complex will increase by 320 students, or approximately 8.6 percent, and the 1963-65 by 155 students, or approximately 5 percent. The estimated growth in enrollment is subject to the limiting factor of classroom and residence hall space availability.

The staff available to teach in the liberal arts complex may be tabulated as follows:

	Full-time students enrolled in liberal arts complex, 1st semester	Teachers required for enrollment at 1-13.1 ¹ ratio	Teachers available	Estimated teacher shortage
1959-60.....	3,306	252.0	182.9	69
1960-61.....	3,571	272.6	202.9	70
1961-62.....	3,734	285.0	276.8	8
1962-63.....	4,054	309.0	276.8	32
1963-64.....	4,209	321.0	305.8	15

¹ 1 teacher for each 13.1 students.

3. *Justification of need for additional teachers.*—It should be noted that the 1962 appropriation and supplement provided the full complement of 276.8 teachers required for an estimated enrollment of 3,626 full-time students. The actual enrollment turned out to be 3,734 students, or 108 students more than the estimate. This small increase caused no evident hardship during 1962. The enrollment for 1962-63, however, is expected to add 320 more full-time students to bring the enrollment in the liberal arts complex to 4,054. At this point it is estimated that 32 new teaching positions would be required to keep the accepted student-teacher ratio at 1 teacher for each 13.1 students.

It is expected that the addition of 29 new teaching positions to the staff will make it possible: (1) To reduce the present student load of faculty members now required to carry over-sized classes; (2) to undergird the work now being offered in the Ph. D. programs; (3) to reduce the teaching loads of selected faculty members from 15 hours per week, in order that they may pursue research activities which are vital to the graduate program; (4) to strengthen the teaching program in home economics, as it relates to the new facility, and (5) to improve the teaching staff in languages.

4. Distribution of new teaching positions as to rank and salary

Faculty rank	Average salary rate	Positions	Amount
Professor.....	\$10,500	7	\$73,500
Associate professor.....	8,500	7	59,500
Assistant professor.....	7,500	8	57,000
Instructor.....	5,143	7	39,000
Total.....		29	229,000

5. There are three criteria for measuring the need for teachers in this complex. Students in the freshman and sophomore years are taught at the ratio of 1 teacher for 15 students. Students in the junior and senior years are taught at the ratio of 1 teacher for each 12 students. Students in the graduate school are taught at the ratio of 1 teacher for each 8 eight students. The overall ratio for this complex is 1 teacher for each 13.1 students. These criteria lie in the median area of criteria for universities of similar complexity. It is necessary that they be made to operate with steady adequacy if the Government is going to attain its inspiring declared objective of first-rate efficiency for the university.

FINANCIAL ANALYSIS

Mr. DENTON. I also would like you to look at page 220 of the justifications. That includes your income as a whole. I would like to put that in the record.

(The page follows:)

Analysis of financing in support of budget estimates for fiscal years 1961 through 1964

	1961 actual	1962 actual	1963 estimate	1964 estimate
From non-Federal sources:				
1. Student fees.....	\$1, 444, 458	\$1, 661, 824	\$2, 353, 312	\$2, 417, 212
2. Endowment income.....	171, 163	167, 839	199, 340	199, 340
3. Gifts and grants.....	1, 068, 872	1, 100, 028	1, 056, 153	1, 066, 764
4. Sales and services of educational departments and activities.....	111, 064	166, 978	162, 379	162, 379
5. Other income.....	10, 191	23, 408	9, 510	9, 510
6. University resources.....	119, 380	343, 140	167, 316	157, 806
7. Auxiliary enterprises.....	1, 400, 671	1, 441, 569	1, 607, 424	1, 619, 655
8. Student aid.....	322, 811	410, 244	286, 500	286, 500
Total, non-Federal sources.....	4, 648, 610	5, 315, 030	5, 841, 934	5, 919, 166
From reimbursements:				
Freedmen's Hospital.....	442, 590	447, 420	542, 451	578, 780
Other sources.....	2, 100	2, 100	2, 100	2, 100
Total, reimbursements.....	444, 690	449, 520	544, 551	580, 880
From Government appropriation.....	5, 490, 000	7, 007, 000	7, 935, 000	8, 819, 000
Total, financing.....	10, 583, 300	12, 771, 550	14, 321, 485	15, 319, 046

ENDOWMENT FUNDS

Mr. DENTON. Now, the sum from endowments. How much money do you have in endowment funds?

Put it in the record.

(The information follows:)

The principal of endowment funds at June 30, 1962, was \$4,501,365.26.

TUITION

Mr. DENTON. How much is your tuition?

Mr. NABRIT. Tuition—there is a page of tuition which I would like for you to see, if you want it in the record, Mr. Denton.

Mr. DENTON. I guess I overlooked it. Page 222. We will put that in the record.

(The page follows:)

Schedule of comprehensive tuition fees¹ effective for fiscal year 1963

<i>School or college</i>	<i>Fee for 2 semesters</i>	<i>School or college</i>	<i>Fee for 2 semesters</i>
Graduate school.....	\$370	Medicine.....	\$650
Social work.....	370	Dentistry.....	500
Liberal arts.....	370	Dental hygiene.....	370
Engineering and architecture.....	370	Fine arts:	
Pharmacy.....	370	Music.....	420
Law.....	350	Art and drama.....	370
Religion.....	350		

¹ Comprehensive tuition includes fees previously charged for tuition, athletics, health service, library, laboratory, and graduation.

Mr. DENTON. It occurs to me that that is just for the schoolwork, is it not?

Mr. NABRIT. That is right, school and college. That is for two semesters, from September to May.

Mr. KELLY. Unlike Gallaudet, this excludes the cost of room and board. The auxiliary enterprises at Howard University are self-supporting, including the cost of room and board. The fees cover the cost.

Mr. DENTON. Isn't that smaller than you find in most universities now?

Mr. NABRIT. In the State universities, public universities, that's high. You would find—you remember when we were discussing this with you last year? I told you I wanted to raise it but I knew I was raising it higher than public universities but I felt I wanted to get some of these things done and we would do it. So it is slightly higher.

Mr. DENTON. Most State universities cannot charge tuition.

Mr. NABRIT. They charge fees.

Mr. DENTON. I was going to say, like my State, they are prohibited from charging anything for tuition at the university, but they charge fees.

Mr. NABRIT. At the University of Indiana, for example, it would cost you less than this. They wouldn't call it tuition, they would call it fees. This would be slightly more than what they would charge.

Mr. DENTON. The auxiliary enterprises, I take it, includes the money that you get from dormitories and things like that?

Mr. NABRIT. That is right. Those operate on a self-supporting basis.

OBLIGATION BY ACTIVITIES UNDER CONSTRUCTION

Mr. DENTON. I would like to put in the record page 241, which is on construction.

(The page follows:)

CONSTRUCTION, HOWARD UNIVERSITY

Amounts available for obligation

	1963	1964
Appropriation.....	\$5,617,000	\$6,245,000
Unobligated balances brought forward.....	2,303,530	1,050,379
Total.....	7,920,530	7,295,379

Obligations by activity

Description	1963 estimate	1964 estimate	Increase or decrease
Classroom building No. 2.....	\$1,824,272	\$340,200	-\$1,484,072
Women's dormitory No. 7.....	2,031,347	436,150	-1,595,197
Men's dormitory No. 4.....	134,700	3,314,000	+3,179,300
Site development.....	18,169	86,000	+67,831
University Hospital.....	248,207	980,000	+731,793
Warehouse Service Building.....	563,000	-----	-563,000
Social Work Building.....	50,000	6,000	-44,000
Master development plan study.....	30,000	-----	-30,000
Physical Education Building for women.....	-----	140,000	+140,000
Home Economics Building.....	53,533	-----	-53,533
Powerplant facilities.....	716,922	101,200	-615,722
Physical Education Building for men.....	1,200,000	44,979	-1,155,021
Site for university expansion.....	-----	1,725,000	+1,725,000
Total obligations.....	6,870,150	7,173,529	+303,379
Unobligated balances carried forward.....	1,050,379	121,850	-928,529
Total obligations and balances.....	7,920,529	7,295,379	-625,150

Mr. DENTON. Are you building two dormitories?

Mr. NABRIT. That is in the last stages of plans and we expect the contract to be let this spring.

Mr. DENTON. Are any of those buildings set forth on page 241, any of them in the process of being constructed?

Mr. NABRIT. Physical Education Building for men, way down—it is about 3, 6—about 12 lines down. Physical education for men. That building is supposed to be finished in March of next year. So it is not very far off.

LOCATION OF UNIVERSITY

Mr. DENTON. Does Howard University go all the way from the reservoir to the ball park?

Mr. NABRIT. The left field back wall of the ball park is the wall of the medical school. In other words, all you do is tear that down and we would be right on it. We go all the way down there.

Mr. DENTON. I believe you said that was a rehabilitation area in there.

Mr. NABRIT. That whole area from North Capitol, Florida Avenue, Columbia Road on the north and Sherman on the east, has been declared a redevelopment area and they have made a study and now they are asking the people in the area to indicate what sections they are interested in and what they propose to put in there.

INCREASED ENROLLMENT

Mr. DENTON. How do you account for this increase in enrollment at your school?

Mr. NABRIT. Well, I would account for it in two or three ways. In the first place the university is getting a much better reputation qualitatively. That's one of the things that's doing it. The other thing is, that is just as important, that there has been a better economic basis among Negro people in general, even though they are the proportionately largest number of people unemployed. I still think the kind of wages, income, that those who have been employed have been able to get has been significantly better than it was 10 years ago. I think that's it.

Mr. DENTON. That is somewhat encouraging, is it not?

Mr. NABRIT. Even though you see something over here that discourages you, this is very encouraging. One of our greatest problems in spite of this encouragement is the number of bright students who just don't have enough money to stay in school. I have been trying, with some success, to raise money for that purpose.

Mr. DENTON. A great many Negro students go to State universities?

Mr. NABRIT. Yes, there are a great many and many more will go, and Howard University will still grow.

ATHLETICS

Mr. DENTON. What facilities do you have for athletics?

Mr. NABRIT. We have this building which I just spoke to you about, which will give us one of the best buildings for physical education for men. So we will have an excellent facility for that.

Mr. DENTON. You can play basketball in there?

Mr. NABRIT. We can play anything in there that a normal gym has and can teach in there. Now, for women, we have proposals here for plans for a women's gymnasium which will take care of that. We have a little athletic field up there, back of the new Fine Arts Building which you gave us, which is somewhat indicative of just about the kind of outdoor athletics we play. It isn't adequate for anything.

Now, one of the reasons that we will need some land in addition—I am not talking about the Griffith Stadium—is also that sometime, somewhere, we will need more adequate land for outdoor athletics.

Mr. DENTON. Do you have intramural athletics?

Mr. NABRIT. We have a very good intramural program.

Mr. DENTON. I am just speaking for myself, but I personally think you ought to encourage athletics in school.

Mr. NABRIT. That's why I am meeting with a faculty committee now. We encourage it but to encourage football you must do something besides talk. You must offer something.

Mr. DENTON. You have to get the boys?

Mr. NABRIT. We haven't got any system that satisfies me that I won't get any greater problems than I have now.

In answer to your question a few minutes ago—our endowment fund as of June 30, book value, is \$4,501,365.26.

Mr. DENTON. That is very good. But I think there is room for much larger endowment in your school now.

Mr. NABRIT. That's one of the things that I have been trying to do. We are getting some graduates now who are able to make gifts to us. We had one make a gift of \$200,000 this year. A few years ago one made a gift of \$300,000. That's pretty good, taking the time that they have had an opportunity to accumulate.

Mr. DENTON. I think that is all.

Mr. FOGARTY. Mr. Michel?

NATIONAL DEFENSE EDUCATION GRANTS

Mr. MICHEL. Does Howard University get any funds under the National Defense Education Act?

Mr. NABRIT. Yes, sir.

Mr. MICHEL. How much has been utilized this past year for that program?

Mr. NABRIT. We have utilized every cent.

Mr. MICHEL. What did the university get? They did not get the maximum amount?

Mr. NABRIT. The maximum is \$250,000—we got approximately \$160,000. We used every cent of it.

Mr. MICHEL. That would have gone—

Mr. NABRIT. We had some we weren't able to cover.

Mr. DENTON. How many students would that—how many people are we talking about here having taken advantage of that student program in the past year?

Mr. NABRIT. I don't have the figure right now but I think it is 200.

Mr. DENTON. Would you supply it for the record, that number who would have utilized this \$160,000?

Mr. NABRIT. Yes.

(The information follows:)

National defense student loan program

Number of students receiving loans in 1961-62----- 323
Total amount of loans granted----- \$165,994

Mr. DENTON. Also, the number of those who applied but had to be turned down and if you break that down further, those who—obviously there are people who apply but who really wouldn't be deserving or qualify.

Break it down into the total number applying and the portion of that number applying who would have been eligible had additional funds been available.

(The information follows:)

Loan applications and awards under the national defense loan program for fiscal years 1962 and 1963

	1962	1963
1. Total number of applications for national defense loans-----	687	849
2. Total number of loans approved-----	356	425
3. Total number of approved loans not utilized-----	33	10
4. Total number of approved loans granted and used-----	323	415
5. Total number of loans rejected-----	331	414
6. Total number of loans rejected because of insufficient funds-----	65	83
7. Total number of loans rejected because applicant did not qualify-----	266	331

TUITION

Mr. MICHEL. If you were to draw a graph or a curve of the increase in operating expenditures for the university against revenue derived from tuition, how would those factors be related? Would it show a strong separation of the two? In other words, are operating costs increasing at a greater rate than revenue from tuitions?

Mr. CLARKE. I would like to say that the amount of Government appropriation which we have been getting over the past 10 or 15 years has tended to be somewhat steady, around—running from 52, 53, 55 percent.

Mr. MICHEL. Total operating expense?

Mr. CLARKE. Yes. The rest of it comes from student fees, tuition, room rent, board, and so forth. So that it tends to be somewhat steady, although I would say the gap has not widened too much, not more than 2 or 3 percent in the last 10 years.

Mr. MICHEL. Do we have in the record the tuition of the university?

Mr. NABRIT. We just put it in.

Mr. MICHEL. Does that show a comparison, let's say, with last year—the last several years?

Mr. NABRIT. No. It does not.

Mr. KELLY. It does for total income.

Mr. DENTON put a table in that showed for 3 years, the total income, including income from tuition, as a line item.

Mr. MICHEL. Has tuition increased?

Mr. NABRIT. We increased the tuition. This is a new inclusion, which we have in here, which increased fees and tuition roughly about \$90 for each student.

Mr. MICHEL. When was the last time, previous to that, that your tuitions were raised?

Mr. DENTON. It has been since I have been on the committee.

Mr. NABRIT. I remember, too; it was about 8 or 10 years—about 8 or 10 years ago.

Mr. CLARKE. There was an increase during the intervening period, in medicine and dentistry only.

Mr. DENTON. Yes.

FACULTY RECRUITMENT AND SALARY STRUCTURE

Mr. MICHEL. Do you have difficulty recruiting a competent teaching staff?

Mr. NABRIT. Sure. I think every school, maybe except Stanford and Harvard would answer that "Yes." Therefore, we would have to answer it "very yes."

In the first place, the going rate for teachers in some schools is higher than it is in others. That is one factor. And then, the reputation of the institution, that is another. So good teachers are in short supply and they are able to shop around, so it is difficult. Nevertheless we have been very fortunate in that we have been able to find them. We found some of them of course by putting our hands on them before they had gotten all the fame they may have later; and by making it possible for them to finish their training. That has helped us, too.

Mr. MICHEL. Do we have at any place in the record, the schedule of the average salary of professors and associate professors?

Mr. NABRIT. We have it all right in this material.

Mr. MICHEL. Would you simply supply what you have in the justifications for the record so that we might have some idea of this level.

Mr. NABRIT. Yes. Pages 226, 227, 228, 229, 230, 231, 232, 233, and 234. That is all salary. It gives our whole structure.

Mr. MICHEL. All right.

If you have no objection, Mr. Chairman, I would like to have it placed in the record.

That is all.

(The information follows:)

*17 institutions' criterion for evaluating the teaching salaries at Howard University*¹

	Professor	Associate professor	Assistant professor	Instructor
University—4 year College of Liberal Arts (9-10 month basis):				
A. For the criterion:²				
Maximum mean.....	\$15,040	\$11,147	\$8,097	\$6,532
3d Quartile mean.....	13,445	9,488	7,690	6,221
Median mean.....	12,062	9,113	7,563	5,939
1st quartile mean.....	11,335	8,715	7,173	5,305
Minimum mean.....	9,325	7,459	6,409	4,802
Average of mean.....	12,095	9,076	7,392	5,831
B. For Howard University:				
University mean for 1963 before pay increase.....	10,355	8,213	7,549	5,483
University salary objective (mid-point between median and 3d quartile).....	12,754	9,300	7,627	6,080
Objective sought in the 1963 supplemental.....	11,185	8,733	7,627	5,748
Objective sought in the 1964 budget estimate.....	11,820	9,238	7,627	6,043
Number of positions affected, 1963.....	45	41	45	87
Additional positions in 1964.....	7	7	8	7
Annual average increase proposed:				
1963.....	\$830	\$520	-----	\$265
1964.....	635	505	-----	295
School of Social Work (10-month basis):				
A. For the criterion:				
Maximum mean.....	14,250	11,750	\$10,000	-----
3d quartile mean.....	12,928	10,478	8,260	-----
Median mean.....	11,613	9,522	8,120	-----
1st quartile.....	10,718	9,038	8,075	-----
Minimum mean.....	9,950	8,533	7,988	-----
Average of mean.....	11,914	9,869	8,507	-----
B. For Howard University:				
University mean for 1963 prior to 1963 pay increases.....	10,1 ¹⁸	8,589	7,875	6,596
University salary objective (mid-point between media and 3d quartile mean).....	12,271	10,000	8,190	-----
Objectives sought in the 1963 Supplemental.....	11,018	9,109	8,190	6,596
Objectives sought in the 1964 budget estimates.....	11,653	9,614	8,190	6,596
Number of positions affected.....	1	10	4	3
Annual average increases proposed:				
1963.....	\$830	\$520	\$315	-----
1964.....	635	505	-----	-----
Engineering (10-month basis):				
A. For the criterion:²				
Maximum mean.....	14,891	11,323	9,093	\$6,811
3d quartile mean.....	13,377	9,942	8,256	6,160
Median mean.....	11,803	9,160	7,922	5,988
1st quartile mean.....	10,753	8,725	7,166	5,633
Minimum mean.....	8,753	7,405	6,629	5,212
Average of means.....	11,978	9,278	7,811	5,909
B. For Howard University:				
University means for 1963 before proposed salary increases.....	11,277	8,581	7,416	6,795
University salary objectives (mid-point between median and 3d quartile).....	12,590	9,551	8,089	6,074
Objectives sought in the 1963 supplemental.....	12,107	9,101	7,911	6,795
Objectives sought in the 1964 budget estimates.....	12,590	9,551	8,089	6,795
Number of positions affected.....	13	11	9	6
Annual average increases proposed for—				
1963.....	\$830	\$520	\$495	-----
1964.....	483	450	178	-----

See footnotes at end of table, p. 1098.

*17 institutions' criterion for evaluating the teaching salaries at Howard University*¹—Continued

	Professor	Associate professor	Assistant professor	Instructor
Fine arts (9-10 months basis): ³				
A. For the criterion: ²				
Maximum mean.....	\$15,040	\$11,147	\$8,097	\$6,532
3d quartile mean.....	13,445	9,488	7,690	6,221
Median mean.....	12,062	9,113	7,563	5,939
1st quartile mean.....	11,335	8,715	7,173	5,305
Minimum mean.....	9,325	7,459	6,409	4,802
Average of mean.....	12,905	9,076	7,392	5,831
B. For Howard University:				
University mean for 1963 before pay increase.....	9,255	8,141	7,208	5,324
University salary objective (mid-point between median and 3d quartile).....	12,754	9,300	7,627	6,080
Objective sought in the 1963 supplemental.....	10,085	8,661	7,627	5,589
Objective sought in the 1964 budget estimate.....	10,720	9,166	7,627	5,884
Number of positions affected.....	8	13	6	9
Annual average cost of pay increase proposed:				
1963.....	\$830	\$520	\$419	\$265
1964.....	635	505		295
Medicine—Preclinical (11- to 12-month basis):				
A. For the criterion: ²				
Maximum mean.....	19,986	14,650	20,000	8,697
3d quartile mean.....	17,907	13,989	10,921	8,438
Median mean.....	17,092	11,546	10,453	7,684
1st quartile mean.....	15,496	10,960	9,521	6,902
Minimum mean.....	15,370	10,694	8,871	6,366
Average of mean.....	17,008	12,226	10,899	7,226
B. For Howard University:				
University mean for 1963 before pay increase.....	13,311	10,562	8,366	6,700
University salary objectives (mid-point between median and 3d quartile mean).....	17,500	12,768	10,687	8,061
Objectives sought in the 1963 supplemental.....	14,941	11,082	8,861	6,965
Objectives sought in the 1964 budget estimates.....	15,576	11,587	9,256	7,260
Number of positions affected.....	8	13	14	24
Average annual increase proposed:				
1963.....	\$1,630	\$520	\$495	\$265
1964.....	635	505	395	295
Medicine—Clinical (11-12 month basis):				
A. For the criterion: ²				
Maximum mean.....	25,348	20,325	14,632	12,409
3d quartile mean.....	21,690	16,529	11,951	9,790
Median mean.....	17,736	13,737	10,875	8,438
1st quartile mean.....	16,096	12,705	10,367	7,962
Minimum mean.....	10,670	7,166	5,747	3,750
Average of mean.....	18,295	14,170	11,211	8,651
B. For Howard University:				
University mean for 1963 before pay increase.....	14,029	10,111	9,398	7,087
University salary objective (mid-point between median and 3d quartile).....	19,713	15,133	11,413	9,114
Objectives sought in the 1963 supplemental.....	15,659	10,631	9,893	7,352
Objectives sought in the 1964 supplemental.....	16,294	11,136	10,288	7,647
Number of positions affected.....	14	9	13	16
Annual average cost of pay increases proposed:				
1963.....	\$1,630	\$520	\$495	\$265
1964.....	635	505	395	295

See footnotes at end of table, p. 1098.

*17 institutions' criterion for evaluating the teaching salaries at Howard University*¹—Continued

	Professor	Associate professor	Assistant professor	Instructor
Dentistry (11-12 months basis):				
A. For the criterion: ²				
Maximum mean.....	\$19,527	\$15,712	\$11,040	\$8,300
3d quartile mean.....	15,818	12,839	9,921	7,607
Median mean.....	14,154	11,450	9,411	6,940
1st quartile mean.....	12,905	10,116	7,840	6,149
Minimum mean.....	11,700	9,111	7,300	5,500
Average of mean.....	14,611	11,663	9,086	6,899
B. For Howard University:				
University mean for 1963 before pay increase.....	12,945	10,168	8,982	6,223
University salary objective (mid-point between median and 3d quartile mean).....	14,986	12,145	9,666	7,274
Objective sought in the 1963 supplemental.....	13,775	10,688	9,477	6,488
Objective sought in the 1964 budget estimates.....	14,410	11,193	9,666	6,783
Number of positions affected.....	9	10	9	20
Average annual increase proposed for:				
1963.....	\$830	\$520	\$495	\$265
1964.....	635	505	189	295
College of Pharmacy:				
A. For the criterion: ²				
Maximum mean.....	16,150	11,383	9,333	6,063
3d quartile mean.....	13,257	10,450	8,683	5,927
Median mean.....	11,480	9,413	8,389	5,855
1st quartile mean.....	10,966	9,096	8,055	5,582
Minimum mean.....	10,360	7,500	7,500	4,998
Average of mean.....	12,493	9,627	8,385	5,645
B. For Howard University:				
University mean for 1963 before pay increase.....	11,400	-----	8,110	6,163
University salary objective (mid-point between median and 3d quartile.....	12,369	9,932	8,536	5,891
Objectives sought in the 1963 supplemental.....	12,230	-----	8,536	6,163
Objectives sought in the 1964 budget estimate.....	12,369	-----	8,536	6,163
Number of positions affected.....	2	0	2	4
Average annual increase proposed for:				
1963.....	\$830	-----	\$426	-----
1964.....	139	-----	-----	-----
School of Law (10-month basis):				
A. For the criterion: ²				
Maximum mean.....	20,000	\$15,500	10,575	\$6,750
3d quartile mean.....	16,509	12,372	9,327	6,406
Median mean.....	14,041	10,155	8,711	6,063
1st quartile.....	12,520	9,231	8,225	6,031
Minimum mean.....	10,755	8,500	7,000	6,000
Average of mean.....	14,625	11,072	8,699	6,271
B. For Howard University:				
University mean for 1963 before pay increase.....	13,425	11,467	10,100	7,500
University salary objective (mid-point between median and 3d quartile).....	15,275	11,264	9,019	6,235
Objective sought in the 1963 supplemental.....	14,255	11,467	10,100	7,500
Objectives sought in the 1964 budget estimates.....	14,890	11,467	10,100	7,500
Number of positions affected.....	1	3	4	2
Average annual salary increase proposed:				
1963.....	\$830	-----	-----	-----
1964.....	635	-----	-----	-----

¹ 6 of the 17 universities provided a social work division.

² From 1962-63 data supplied by the U.S. Office of Education.

³ Since none of the universities identified Fine Arts as a separate curriculum, the University College data are used.

FEDERALLY SUPPORTED RESEARCH

Mr. DENTON. I just want to ask one question.

Mr. NABRIT. Yes, Mr. Denton.

Mr. DENTON. Are you conducting any research for NIH, Space Agency, Defense Department, or any other Government agency.

Mr. NABRIT. Do we do any?

Mr. DENTON. Yes.

Mr. NABRIT. Oh, yes. Most of this research I was telling you about, this \$900,000 is for some Federal agency. We do have some for non-Federal agencies but I am answering you that the bulk of that is from some of these.

Mr. DENTON. About how much?

Mr. NABRIT. About two-thirds of it is from Federal agencies.

Mr. DENTON. Gentlemen, we thank you very much.

WEDNESDAY, MARCH 20, 1963.

OFFICE OF THE SECRETARY

WITNESSES

IVAN A. NESTINGEN, UNDER SECRETARY

RUFUS E. MILES, JR., ADMINISTRATIVE ASSISTANT SECRETARY

JOSEPH L. PREISSIG, BUDGET EXAMINER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	2, 130	2, 291	2, 824
Positions other than permanent.....	21	11	15
Other personnel compensation.....	54	37	70
Total personnel compensation.....	2, 205	2, 340	2, 909
12 Personnel benefits.....	150	165	207
21 Travel and transportation of persons.....	46	40	64
23 Rent, communications, and utilities.....	53	50	88
24 Printing and reproduction.....	57	49	71
25 Other services.....	43	43	69
26 Supplies and materials.....	43	40	39
31 Equipment.....	30	40	52
Total obligations.....	2, 628	2, 767	3, 499

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	299	307	344
Full-time equivalent of other positions.....	3	2	3
Average number of all employees.....	277	280	325
Number of employees at end of year.....	288	299	336
Average GS grade.....	8.5	8.6	8.8
Average GS salary.....	\$7, 680	\$8, 151	\$8, 447

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Executive direction and coordination.....	\$914	\$882	\$1,229
2. Office of Public Information.....	168	170	187
3. Administrative and financial management.....	1,554	1,717	2,083
Total program costs, funded.....	2,636	2,769	3,499
Change in selected resources ¹	-8	-2	-----
Total obligations.....	2,628	2,767	3,499
Financing:			
Comparative transfers to or from (-) other accounts.....	237	332	-----
Advances and reimbursements (-):			
For emergency preparedness functions.....			-114
From non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund: Authorized.....	-352	-359	-467
Proposed increase in limitation due to pay increases.....		-17	-----
Unobligated balance lapsing.....	14		-----
New obligational authority.....	2,527	2,723	2,918
New obligational authority:			
Appropriation.....	2,527	2,621	2,918
Proposed supplemental due to pay increases.....		102	-----

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$12,000; (1962 adjustments—\$1,000); 1962, \$3,000; 1963, \$1,000; 1964, \$1,000.

GENERAL STATEMENT

Mr. FOGARTY. Mr. Nestingen, are you going to justify the request for the Office of the Secretary?

Mr. NESTINGEN. Yes, sir.

Mr. FOGARTY. Go right ahead.

Mr. NESTINGEN. I might say, Mr. Chairman, and members of the committee, it is a pleasure to meet with you again. We are requesting \$3,385,000 for operations of the Office of Secretary in 1964. This represents an increase of \$618,000, consisting of \$369,000 for 27 additional positions, and \$249,000 for increased pay costs and other expenses related to the currently authorized staff.

Three changes in organization are reflected in this budget. First, aging activities have been transferred to the Welfare Administration; second, we are converting payrolls to electronic processing which will be financed under the working capital fund; and third, the Department library will be reorganized to locate certain specialized materials closer to the staff of the agencies which are principal users of these collections.

Responsibilities of the Office of the Secretary are continuing to increase as they have in the past—mainly because of new legislation. Our staff is now devoted almost entirely to work of compelling necessity; that is, the day-to-day projects of high priority. Little time is left for evaluation of the Department's programs or for cooperation with the operating agencies to improve the Department's operations.

We are making a concerted effort to handle the increasing amount of work without a comparable increase in staff. Evidence of our effort is the fact that no increases are requested for 6 of our 10 organizations despite the certainty of increased workloads in all offices.

Another way in which we are trying to hold down staff increases is through modernizing and improving our operations. The best example of this is the conversion of payrolling to electronic processing which will result in savings of over \$90,000 for the Department in 1964 and estimated annual savings of \$300,000 to \$500,000 in future years. Further improvements of this kind could be made if a specialized staff were available to assist the Secretary and program administrators.

STAFF INCREASES

We are requesting a staff of 11 professional and 4 clerical positions to study possible improvements and also to conduct operational analyses of the Department's programs. This committee, particularly, can appreciate the number of problems which are identified in the course of reviewing the Department's complicated budget. The regular sequence of budget events is compressed into a very short period of time requiring the full time of the budget staff. As a result, problems raised are not investigated to the degree desired or, as is more frequently the case, analysis is delayed and improvements which might result from further study are delayed until an analysis can be made. Similar problems are brought to the Department's attention by the GAO; congressional committees; and most frequently, in day-to-day operations of the Department's programs.

The remaining staff increases are—

Two clerical positions needed to handle an increasing volume of correspondence.

Three positions to assist the Secretary in administering the Department's grant programs.

Three positions to help coordinate health-related activities in the Department.

Two positions needed because of increased requests for departmental participation in international health, education, and welfare programs.

Two positions to help handle the very heavy congressional liaison workload.

Three positions needed to give some relief to the Office of Assistant Secretary for Legislation.

Two positions to increase the number of internal audits.

These increases will be partially offset by a reduction of five positions resulting from the conversion of electronic payrolling.

Mr. Miles, Mr. Kelly, and I will be happy to answer any questions you may have.

PREPARED STATEMENT

I would like to insert, as part of the record, a more lengthy statement.

Mr. FOGARTY. We will put that in the record at this time.

(The statement follows:)

Mr. Chairman and members of the committee, it is a pleasure to meet with you again. We are requesting \$3,385,000 for operations of the Office of the Secretary in 1964. Of this amount \$467,000 will be expended from the old-age and survivors insurance trust fund and \$2,918,000 from general funds. This request represents an increase of \$618,000, consisting of \$369,000 for 27 additional positions and \$249,000 for increased pay costs and other expenses related to the currently authorized staff.

CHANGES IN ORGANIZATION

Three changes in organization or function are reflected in the 1964 budget for the first time. First, activities of the Special Staff on Aging have been transferred to the Welfare Administration and will be financed by the appropriation requested for the Office of Aging. Second, conversion of all the Department's payrolls to electronic processing is underway. The Office of the Secretary is the first organization affected. In 1964 all payrolling now performed by the Office will be financed through the working capital fund.

Third is a reorganization of library facilities and services at Department headquarters. The headquarters library system as it is now organized was intended to service activities in the Department's north and south buildings. Centralized service was impaired when the Office of Education moved to Federal Office Building No. 6. Movement of the Food and Drug Administration to Federal Office Building No. 8 would further handicap the centralized system. The reorganized system will locate specialized materials closer to the staff of agencies which are principal users of these collections. The agencies involved have budgeted for operation of the facilities and for additions to collections in their area of interest.

INCREASED WORKLOADS

Responsibilities of the Office of the Secretary continue to increase in the same manner as in past years. New legislation and greater public awareness of the Department's programs have led to further demands on the Office. Virtually all of the staff is now devoted to work of compelling necessity—the day-to-day projects of high priority with fixed deadlines, leaving little staff time for evaluation of the Department's operations or for cooperation with the operating agencies to improve operations of programs.

A good indicator of the added workload is the legislation passed by the 87th Congress. Twenty-six significant legislative improvements were enacted, among them, the Drug Amendments of 1962, the Manpower Development and Training Act, Education Television Facilities Act, Public Welfare Amendments of 1962, and the Air Pollution Control Act.

EFFORTS MADE TO LIMIT INCREASES

A concerted and sincere effort is being made by the Office of the Secretary to handle this workload without a commensurate increase in staff. Our efforts can be demonstrated in several ways.

First, staff increases requested are highly selective. Despite the fact that workloads are certain to increase across the board for the reasons we have outlined, no increases are requested for 6 of the 10 organizations in the Office of the Secretary. The positions requested represent only the most urgent need of the Office:

	<i>Additional positions requested</i>
Secretary and Under Secretary (and Special Assistant to the Secretary for Health and Medical Affairs)-----	8
Internal security-----	0
Assistant Secretary-----	4
Assistant Secretary (Legislation)-----	3
Office of Public Information-----	0
Administrative Assistant Secretary-----	0
Financial management-----	¹ 12
Management policy-----	0
Personnel management-----	0
General services-----	0
Total-----	27

¹ This is a net increase consisting of 17 new positions, offset by a decrease of 5 payroll positions.

Another way in which we are trying to hold down staff increases is modernizing and improving our operations. Probably the most easily identified example of our efforts in this respect is in the conversion of payrolling to electronic processing which will result in savings of over \$90,000 for the Department in 1964 and between \$300,000 and \$500,000 in future years.

FURTHER IMPROVEMENTS POSSIBLE THROUGH OPERATIONS ANALYSIS

Further improvements of this kind could be made in the Office of the Secretary and in other parts of the Department if a specialized staff were available to assist the Secretary and the program administrators to conduct a continuing analysis of operations, and to assist the operating agencies to make improvements which they cannot undertake individually. A good example of the latter point is the improvement which could be made through electronic data processing. The larger organizations in the Department; i.e., the Public Health Service and the Social Security Administration, have taken full advantage of improvements possible through use of electronic computers with great benefit to the public, programs, and employees. It is not feasible, however, for the smaller organizations to hire staff to study smaller applications of this type even though similar benefits would accrue to their programs.

We are requesting a staff of 11 professional and 4 clerical positions to conduct such studies. The longrun results of these studies in terms of cost reductions, more effective management, and more effective utilization of the Department's resources should be substantial. In a department with a \$5½ billion budget, the number of problems requiring special analysis on behalf of the Secretary is more than enough to require the services of such a staff as we are proposing.

Providing technical skills is only a part of the function of this staff. The principal purpose of the staff is to conduct operational analyses of the Department's programs.

This committee, particularly, can appreciate the number of problems which are identified in the course of reviewing the Department's complex and highly diversified budget. These problems, some of which are organizational, some procedural, some financial, and some all three of these with difficult policy issues, should be resolved before the budget moves out of the Department. The regular sequence of budget events, however, is compressed into a very short period of time requiring the full time and attention of the budget staff. As a result, problems raised are not investigated to the degree desired or, as is more frequently the case, analysis is delayed and improvements which might result from further study are delayed until an analysis can be made. Problems of a similar nature are brought to the Department's attention by the General Accounting Office, congressional committees, and, most frequently, in the day-to-day operation of the Department's programs.

The staff will be utilized under the administrative direction of the Comptroller and will be located in the Office of Financial Management. The staff will be responsible for making recommendations to the Secretary on matters of major concern assigned by the Secretary and the Under Secretary.

The Office of Financial Management will also increase the number of internal audits to better meet its responsibility for assuring that financial and administrative affairs of the Department are carried out in accordance with best practices. Two positions are requested for this purpose. These increases will be partially offset by a reduction of five positions resulting from the conversion to electronic payroll.

OTHER INCREASES

The remaining increases are directly related to the continuing impact of new legislation and to the large volume of inquiries stemming from the public's interest in the Department's programs. A good indicator of the added work is the volume of mail received which has increased by 93 percent in the past 2 years and is virtually certain to increase further in the next 2 years.

OFFICE OF THE SECRETARY, UNDER SECRETARY, AND SPECIAL ASSISTANT FOR HEALTH AND MEDICAL AFFAIRS

The immediate Office receives a particularly large volume of inquiries stemming from a greatly increased public interest in the Department's programs, from new legislative proposals and from legislation enacted in the past 2 years. A sizable portion of this increased workload is relatively routine and can be handled by clerical employees. Two clerical positions and a small increase in overtime are required to process this clerical work in a prompt and orderly manner.

Many of the requests, however—particularly those received from the Congress and other Government agencies—require departmentwide coordination, involve matters of policy, negotiation with other agencies, or involve policy issues having

major public information implications. Of equal importance is the increasing workload related to administration of the Department's grants. Approximately 90 percent of the funds appropriated to the Department are for grants to States and local governments, to institutions, and individuals. These grants range from small amounts to almost \$3 billion for public assistance. Compounding the ordinary problems which arise in administering programs of this magnitude is the fact that grants are spread over more than 50 programs which cover many diverse areas. Each operating agency uses the various grant techniques, formula grants to States, special project grants, demonstration grants, construction grants, research grants, and fellowship and training grants.

The Secretary has no staff specifically assigned to assist him in establishing policies and procedures in the grant area and in assuring coordination and application of uniform policies in the operation of these large complex, and diversified programs. In order to perform this responsibility more effectively in the future two professional positions and one secretary are requested.

The continuing expansion of health-related activities throughout the Department has increased the need for administrative coordination by the Secretary. Health programs affect almost every operating agency although primary focus is in the Public Health Service and the Food and Drug Administration. The workload of the Special Assistant to the Secretary for Health and Medical Affairs has increased substantially, requiring an additional professional staff assistant to carry out assignments involved in the development of major policy positions on health and medical affairs. Two secretaries are needed for the increasing clerical workload.

OFFICE OF ASSISTANT SECRETARY

Activities of the Department in the international field are becoming more important. Added emphasis by the United States on international, social, and humanitarian programs has resulted in an increasing number of requests for participation in health, education, rehabilitation, and social development projects from agencies with international responsibilities. Two positions, one professional and one clerical, are needed to comply with requests from the Department of State, AID, USIA, the Peace Corps, and others.

The congressional liaison officer is currently processing and preparing answers for more than 400 congressional letters and handling between 1,600 and 2,200 congressional calls each month. The office now has four employees. One additional professional position and one secretary are badly needed to share the responsibility for prompt handling of this work.

OFFICE OF ASSISTANT SECRETARY (LEGISLATION)

The Office of the Assistant Secretary has an extremely heavy workload in performing all of the tasks necessary to develop the legislative program of the Department. The huge volume of correspondence and most report preparation has been beyond the capability of the secretarial staff.

An additional professional position of special assistant will provide much-needed relief to the Assistant Secretary in his development and analysis of legislative proposals. He will also devote a portion of his time to the preparation of congressional testimony on such legislative proposals. Developments during the 87th Congress in the HEW areas of interest and responsibility were rapid and voluminous; there is little doubt that activity in these areas will be even more rapid and expanding during the 88th Congress. The addition of this professional position is urgently needed in view of current and anticipated legislative developments. Two secretarial positions are needed to support the new professional positions and to assist in the immediate Office of the Assistant Secretary and the Deputy Assistant Secretary.

CONCLUSION

In arriving at our estimate of \$3,385,000 and 334 positions, we have endeavored to limit our request to the most pressing needs of the Office of the Secretary. Most of the position increase is directly related to processing work received in the Office which cannot be absorbed, backlogged, or controlled. All of the remaining increase is requested for a staff to assist the Secretary and program administrators to improve operations.

Mr. Miles, Mr. Kelly, and I will be happy to answer any questions you may have.

Mr. FOGARTY. Including transfers, advances and supplementals, the amount estimated to be available for 1963 is \$2,767,000 and the request for 1964 is \$3,385,000, an increase of \$618,000 and 27 positions.

SUPPLEMENTAL FOR PAY COSTS

I see there is a supplemental request of \$119,000 for pay costs in 1963. The Secretary's office did not set a very good example in absorbing pay costs, did it?

Mr. NESTINGEN. Except that we have, currently, 30 vacant positions in the Office of the Secretary, and the average over the year has been 22 vacant positions, a lapse rate of about 8 percent, which is a rather heavy lapse in the Department as far as the Office of the Secretary is concerned.

Mr. FOGARTY. Why is that?

Mr. NESTINGEN. Why is the lapse there?

Mr. FOGARTY. Yes.

Mr. NESTINGEN. We have been trying to absorb this increase. We have been trying to absorb increases in the Office of the Secretary and have had a high lapse rate. Mr. Kelly can tell you about that.

Mr. KELLY. Over the years, we have absorbed costs that have not gone into the budget. The total cost of filling the positions which you authorized in fiscal year 1963 exceeds total available funds. The only way in which we can staff the organization is to keep almost 10 percent of positions vacant, and it is for this reason that we have been unable to absorb the pay increase.

I would also like to comment that during the course of the hearings, I have identified the Office of the Secretary as one of the exceptions to the 3-percent reduction in staff. Some of the other exceptions were operation of hospitals; direct medical care; areas in which new legislation increased the workload; and areas where the Congress had already taken a reduction of more than 3 percent.

Mr. FOGARTY. Just on the face of it, after listening to all of the institutes of health and other agencies in the Department who were required to absorb the cost of pay increases you might come to the conclusion that it is—like the old saying—"Do as I say, not as I do."

Mr. KELLY. Well, it was for this reason that I wanted to supplement the statement. I think one of the problems faced by the Secretary's Office is that it has been trying to set an example too long and it finds itself operating with considerably less than the resources necessary to carry out its full responsibility.

Mr. FOGARTY. I know what you have been through, Mr. Kelly.

Mr. MILES. Mr. Chairman, I would like to observe that if we had had to absorb the pay act cost, we would have had to run a reduction-in-force in the Office of the Secretary. The instruction of the Budget Bureau was, "Do not go to that extreme. If you have to go to that extreme, you can then submit a request for the full amount."

NEW POSITIONS FOR OPERATIONS ANALYSIS

Mr. FOGARTY. There are increases here and there, through the budget, but the largest is for a new Operation Analysis Division—15 positions and \$150,000.

Just what will these people do that you are not now able to do?

Mr. NESTINGEN. Mr. Chairman, I would like to make a general observation on this inquiry; then I would like to ask Mr. Miles to comment in detail on what the function of the staff has been that is now authorized. There is one thing that strikes me about the departmental operations, and I have observed it for a couple of years, and it impresses me about the Federal Government in general. That is, that within internal operations, which continue to function, we set aside positions which devote their time to this day-to-day work and nothing else. The organizational aspect of the work, the sense of relationship and the sense of administration also require coordination in the carrying out of programs.

The Department of HEW as you know better than I, is a very complex Federal agency, with many different programs and features underlying these programs.

I have this general observation: We have some 17 positions that are available for work in this general field now, but they are not going to be able to devote their time, as such, to coordination and analysis of these programs.

The areas where the operations analysis staff can be active and where we do need examination of the situation include mental retardation, not from the standpoint of pulling mental retardation into one portion of the Department itself, but in this sense of the word, that a number of organizations in HEW are interested in mental retardation, and we need to analyze how we can best operate that program and pull together those parts and give it a focal point for administration.

Mr. FOGARTY. Why could it not be done in your present Internal Audit Division?

Mr. NESTINGEN. Then, if I might just add, there are other fields. I used that by way of illustration. And in the current operation, why that cannot be done, I would like to ask Mr. Miles to comment on that.

Mr. FOGARTY. Go ahead.

Mr. MILES. Mr. Chairman, under the existing situation, the current staff spends so much time on matters having to do with records management; handling the large manual system of the Department; the various procedures forms review, and so forth, and on small one-man surveys, which are coming up all the time—

Mr. FOGARTY. But you have a Division of Internal Audit and the Office of Management Policy. Why could it not be done by these offices?

Mr. MILES. This is what I was explaining about the Office of Management Policy. This is what happens in the Office of Management Policy: the staff is spending virtually its full time on day-to-day projects which are of such a nature, that they cannot be put off. We cannot use the staff on any large organization project.

So far as the internal audit staff is concerned, we have, I believe, five internal auditors to handle the entire departmental activities outside of Public Health Service, and the Social Security Administration. We have to review field activities, regional offices, all of the bureaus of the Department other than the Public Health Service and Social Security. We do not have enough people in those five

auditors, to do just the fiscal audit work. That is why we are asking for two more audit position.

Mr. FOGARTY. Let us put it another way. What would happen if you did not get this \$150,000 and 15 positions?

Mr. MILES. We would continue to fail to do many things that ought to be done, and on some of which we could eventually save the Government money. Mr. Kelly can give you an example of one thing that we did accomplish and saved from a third to a half million dollars a year. This is what we will save when we get into full operation; and we are convinced that if we had more people available, that we could engage in more projects of this kind, which would really save a substantial amount of money or improve the operation of the Government.

Mr. NESTINGEN. In line with that, here is a list of six projects—types of projects for which such a staff could be used.

Mr. FOGARTY. Put them in the record.

(The information follows:)

ILLUSTRATIVE LIST OF THE TYPES OF PROJECTS WHICH MIGHT BE STUDIED BY
OPERATIONAL ANALYSIS STAFF IN THE OFFICE OF THE SECRETARY

1. Study to determine best way of defining the responsibilities, of coordinating and of administering the various departmental activities concerned with mental retardation now located in the Children's Bureau, Bureau of Family Services, Office of the Commissioner of Welfare, the Vocational Rehabilitation Administration, the National Institute of Mental Health, the National Institute of Neurology and Blindness, and the Office of Education.

2. Make a similar study to determine the best way of coordinating and administering the various departmental activities concerned with mental health.

3. Broad management evaluation of the effectiveness and adequacy of management methods and procedures of each of the operating agencies.

4. Analysis of how to apply automatic data processing to personnel statistics.

5. Study the comparative efficiency and cost of providing various types of computer services to the operating agencies on a centralized versus a decentralized basis.

6. Study of the future relationships of St. Elizabeths Hospital to—

(a) the District of Columbia's new program of comprehensive community mental health centers;

(b) the National Institute of Mental Health;

(c) other mental hospitals of the Public Health Service.

JUSTIFICATIONS OF NEW POSITIONS FOR OPERATIONS ANALYSIS

Mr. NESTINGEN. We also call attention to pages 42, 43, and 44.

Mr. FOGARTY. We will put those pages in the record.

(The information follows:)

OPERATIONS ANALYSIS (15 NEW POSITIONS)

Approximately 90 percent of the funds appropriated to the Department are for grants to State and local governments, institutions, and individuals. Over 80 direct appropriations are made to the Department, ranging from \$775,000 for the American Printing House for the Blind to almost \$3 billion appropriated for grants to the States for public assistance. These appropriations include more than 50 different grant programs, a comparable number of salary and expense accounts to administer these grant programs; direct research programs in the fields of health, education, and welfare; medical care programs including the operation of hospitals; direct service-type programs such as the old-age, survivors, and disability insurance program; enforcement programs such as the administration of the Federal Food, Drug, and Cosmetic Act and the foreign quarantine program; as well as individual programs of technical assistance to States and local units for all areas of responsibility of the Department.

In the course of formulating and reviewing the Department's highly diversified and complex budget, problem areas are identified which need further analysis. These problems, many of which are not primarily financial in nature, must be resolved before the budget can move to the next level of review.

The regular sequence of budget events, occurring at the time the Secretary and the Budget Review Committee are reviewing the Department's budget, is compressed into a relatively short period of time. The full time and attention of the budget staff is concentrated on meeting deadlines imposed by the budget cycle. As a result the problems raised by the Secretary and the Budget Committee are not investigated to the degree desired or, as is more frequently the case, analysis is delayed, and any possible saving which might result from study of the problem delayed until an analysis can be made.

Problems of a similar nature are brought to the Secretary's attention by the General Accounting Office. Following are examples of recommendations made by GAO which require further study:

The GAO, in a report on the Communicable Disease Center, PHS, stated that a need exists for systematic procedures to help coordinate the work of the Communicable Disease Center with related medical research work performed and supported by other PHS organizations. While certain actions have been taken to improve coordination in this instance, GAO stated that the Department should "extensively" explore new techniques and methods to effect improvements in the area of coordination of medical research programs to minimize unnecessary or unintended duplication of research in the health field and that all interested groups be kept apprised of developments. This would include coordination of medical research programs carried out by the various agencies of this Department as well as other Government agencies.

The GAO in several of its reports recommended that the Department make a review of its method of making advance payment of grant funds. The Comptroller General believes that making payments on a quarterly or semiannual basis tends to speed up the Government's need for cash and that by making payments on a monthly basis there would be savings in interest costs to the Government. Any change in the present system of payments will affect not only the Department's operations but also the operations of the recipients of grants. It is, therefore, necessary to study and evaluate this proposal for conversion to monthly payment system. An analysis needs to be made to determine if the benefit of interest saved outweighs the disadvantages the States and others may experience from administering the more frequent payments received.

Congressional committees are another source identifying potential areas of administrative and financial weakness. This is particularly true of the appropriations subcommittees and the Committee on Government Operations which are relatively familiar with the Department's operations. These committees as well as the legislative committees frequently raise questions and point out problems requiring detailed study before solutions can be recommended.

Finally, and probably the most frequent manner in which problems needing analysis come to the attention of the Secretary and program administrators, are the problems which arise in the day-to-day operation of the Department's expanding and increasingly complex programs.

At the present time there is no organization in the Department which is capable of assisting the Secretary and the program administrators to conduct a continuing analysis of operations, and to assist the Secretary and the operating agencies to make improvements which would be uneconomical or exceedingly difficult for the operating agencies to undertake individually. A good example of the latter point is the improvement which could be made through electronic data processing. The larger organizations in the Department, i.e., the Public Health Service and the Social Security Administration, have taken full advantage of improvements possible through use of electronic computers with great benefit to their programs, the public, and employees. It has not been feasible, however, for the smaller organizations to hire staff to study smaller applications of this type even though similar benefit would accrue to their programs. It is known, for example, that certain larger States have data needed by the Department in machinable form, yet the smaller agencies because of their lack of a system staff, cannot accept data in this form. Substantial savings are possible, benefiting the States involved and the operating agencies with the further important benefit of better and more timely reporting of data. The operations analysis staff would be prepared to give this technical assistance to the agencies as needed.

The staff requested (11 professional and 4 clerical position) would conduct operational studies and analyses as assigned by the Secretary or by the Budget

Review Committee which is composed of the top staff of the Office of the Secretary. The staff would be utilized under the administrative direction of the Comptroller and for the sake of organizational convenience, i.e., access to financial staff and records, internal housekeeping, etc., the staff will be located in the Office of Financial Management. The staff will be responsible for making recommendations to the Secretary and will have no responsibility for taking corrective action.

The results obtained from these studies and analyses in terms of cost reductions, more effective management, and more effective utilization of the Department's manpower will more than offset the increased cost of providing the staff requested.

Mr. KELLY. I think, Mr. Chairman, during the course of the last 4 weeks of the hearings here, if we could consolidate all of it in one place, that you and Mr. Denton and Mr. Lesinski and Mr. Laird, ably assisted by Mr. Moyer, have made a pretty good record of what our needs in the Office of the Secretary are in the financial management field and some of the deficiencies that have been identified which I think this operations analysis staff is designed to correct; I think there is no question that the Secretary's Office has been extremely hard pressed.

Mr. FOGARTY. I agree.

Mr. KELLY. What we have been able to do is quite helpful, I think, in the area of forward planning, legislative planning, and budgetary planning, but the Secretary's capability in the day-to-day administration of the programs, the identification and solution of problems in operations, has been very limited and I think that this staff will be of material assistance in that way.

OTHER REQUESTED INCREASES

Mr. FOGARTY. Tell us what the other program increases are, and why they are needed.

Mr. NESTINGEN. Mr. Chairman, in the Office of the Secretary, eight positions are requested.

Three of those positions, two professional positions and one clerical, are needed to help on the grant programs. Within the total amount of money available in the budget, approximately 90 percent is made available for grants throughout the country. The Secretary has expressed concern about, and has a very keen interest in, having closer touch with the grant programs, and wants to try to correlate them better and to have a better check on the programs, to see how they are administered and carried out. Three positions are requested for that type of work.

Two of the positions are clerical positions in the correspondence field. Our correspondence has increased by some 93 percent in the last 3 years, approximately. The workload, as far as answering the correspondence is concerned, is very heavy, and two clerical positions are requested for that type of activity.

Three positions of those eight are for the assistant to the Secretary, Mr. Jones, to help in health and medical affairs. He has need for additional assistance and the workload of his office has been extremely heavy in the field of Food and Drug Administration, the Public Health Service, particularly, the NIH, and so on. One position there is professional; two would be clerical.

There are four positions requested for Assistant Secretary Quigley.

Mr. FOGARTY. What was that last one?

Mr. NESTINGEN. Four positions.

Mr. FOGARTY. For what?

Mr. NESTINGEN. Two of which would be for congressional liaison work. Work in congressional liaison has been very——

Mr. FOGARTY. As a former Member of Congress, he should be able to handle this with a minimum of help.

Mr. NESTINGEN. His schedule has been very heavy in the water pollution program, in fair employment practices, in the patent field; and his congressional work in addition. Two of those positions are for congressional liaison, with the work of Mrs. Akin's office. She has been handling that work. Congressional inquiries have been heavy with the legislative program we have had.

In addition to that, two of those four positions are in the international field, in the office of Mr. Kevan. In both of these cases, one is professional and one is clerical.

Mr. FOGARTY. How much will those four come to?

Mr. NESTINGEN. The increase of four positions, including other pay increases in his office, totals \$64,000. The HEW activity in the international field has been very heavy, and the volume of work and time, whether it be visiting ministers of education, work on programs of international nature, or otherwise, has increased the workload considerably.

The Assistant Secretary for Legislation requests one professional and two clerical positions and again the legislative package of HEW has been a heavy one.

Mr. FOGARTY. In Mr. Cohen's office?

Mr. NESTINGEN. Yes. The legislative package has been a heavy one with a good number of reports required to be filed and the workload out of his office has been a very substantial workload and has increased, I might say, as these months have gone by.

DECREASE DUE TO ELECTRONIC PAYROLLING

We have a decrease, as far as personnel is concerned, of five positions.

Mr. FOGARTY. Put those in the record.

(The information follows:)

Decrease in positions due to electronic payrolling

GS-11	Chief, Payroll, Leave, and Retirement Section-----	1
GS-7	Assistant Chief-----	1
GS-5	Payroll, leave, and retirement clerk-----	3
Total decrease in positions-----		5

Mr. FOGARTY. Any more increases?

INCREASE FOR INTERNAL AUDIT

Mr. NESTINGEN. There are two more that should be called to your attention. The increases coming in the Division of Internal Audit; that is Mr. Kelly's office.

Mr. FOGARTY. How many does he want?

Mr. NESTINGEN. Two. I think Mr. Kelly might want to comment on this.

Mr. KELLY. Well, we were authorized, some years ago, to create an internal audit organization which has responsibility for the internal audit for all agencies except the Bureau of Old-Age and Survivors Insurance and the Public Health Service.

Mr. FOGARTY. When was that?

Mr. KELLY. 1956. We are unable, with the staff we now have, to get around as frequently as once every 2 years.

LIBRARY DECENTRALIZATION

Mr. FOGARTY. When we had the Office of Education, they had a fairly good increase for the library and we were told that it was part of a decentralization plan, but I notice you have no decrease for the central library. Why is this?

Mr. NESTINGEN. We are decentralizing the library for the Office of Education and we will be extending much better service because of the decentralization.

Mr. KELLY. There is a net decrease in funds for the central library, excluding mandatory items. The staff remains the same.

Mr. NESTINGEN. If I might be heard on this basis, Mr. Chairman, that is that there is a decentralization of library services involving the Food and Drug Administration and the Office of Education. There is no change of personnel as far as our own operation is concerned, as I recall.

Mr. FOGARTY. Will you put in the record the amount budgeted for the Department's libraries for 1963 and 1964 and a statement justifying the increases and the decentralization. Leave out the National Library of Medicine which of course, is in a separate category by itself.

Mr. KELLY. We might, if it is agreeable to you, just restrict it to the downtown area, which is the area covered heretofore.

Mr. FOGARTY. That will be fine.

(The information follows:)

JUSTIFICATION OF DECENTRALIZATION OF THE DEPARTMENT LIBRARY

The Department Library as it is now organized is not meeting the current needs of the Department's programs in the headquarters area, and indications are that it will be unable to meet future needs of these programs.

The headquarters library system was intended to service activities which were centralized in the Department's North and South Buildings. The transfer of the major portion of the Office of Education to Federal Office Building No. 6 and the move of the Food and Drug Administration to its new quarters will handicap the library in supporting programs of the Department.

The planned reorganization of the library will consist of a central library with branches financed by appropriations of operating agencies located in various buildings. Professional librarians and supporting staff will service the collections and provide other services in these branches. Specialized materials will be located in close proximity to staffs of agencies with responsibility for related programs. Library services will consist of: (a) the central library in the HEW North Building; (b) Libraries in Federal Office Buildings No. 6 and No. 8; and (c) reference and/or reading rooms in other buildings occupied by headquarters staff.

The central library will house and service the specialized collections of the agencies located in the HEW North and South Buildings. In addition, the central library will provide certain general reference and other material cutting across agency lines, and will perform basic library services such as coordinating, bibliographic work; operate a gift and exchange program; and provide an inter-library loan service.

Each branch library will house the specialized collection and provide the reference services required by the programs it serves, and will closely coordinate new acquisitions with the central library. They will also catalog and classify their library materials and provide catalog cards for the union catalog located in the central library.

The reference and/or reading rooms will also operate in close coordination with the central library and will provide limited service to the occupants of the building in which they are located.

Estimated cost of headquarters library services, fiscal years 1963 and 1964

Organization	Fiscal year 1963	Fiscal year 1964	Increase
Office of the Secretary	\$282,202	\$286,592	¹ +4,390
Office of Education		93,700	² +93,700
Food and Drug Administration	40,400	53,600	³ +13,200
Public Health Service	47,000	52,000	⁴ +5,000
Welfare Administration		6,000	⁵ +6,000
Vocational Rehabilitation Administration		2,000	⁶ +2,000
Office of the General Counsel		12,000	⁷ +12,000
Total	369,602	505,892	+136,290

¹ Office of the Secretary library services decreased by \$25,000 because of transfer of book and subscription funds to operating agencies. This decrease is offset by mandatory increases of \$29,390 for annualization of positions authorized in fiscal year 1963, increased pay costs and extra days pay, for a net increase of \$4,390.

² Of the \$93,700 increase in the Office of Education, \$5,000 is a transfer from the Office of the Secretary for book and subscription funds. The remaining \$88,700 will be used to eliminate deficiencies pointed out by a recent departmental study of library resources in the downtown Washington area. An effort will be made to reduce the number of uncataloged materials, acquire more current research materials, and improve the reference and bibliographic service.

³ Of the Food and Drug Administration increase, \$11,200 will provide for 2 positions (a head librarian and a secretary) in the Federal Office Building No. 8. Two thousand dollars will be used for the purchase of books and periodicals.

⁴ The Public Health Service increase of \$5,000 is a transfer from the Office of the Secretary for book and subscription funds.

⁵ Of the \$6,000 increase in the Welfare Administration, \$3,000 is a transfer from the Office of the Secretary for book and subscription funds, and \$3,000 is to improve the welfare library.

⁶ The Vocational Rehabilitation Administration increase of \$2,000 is a transfer from the Office of the Secretary for book and subscription funds.

⁷ Of the \$12,000 increase in the Office of the General Counsel, \$10,000 is a transfer from the Office of the Secretary for maintenance of the law library collection, and \$2,000 is an increase in acquisition of new materials and continuance of the subscription of legal periodicals.

Mr. FOGARTY. Mr. Denton?

Mr. DENTON. I do not have any questions.

Mr. FOGARTY. Thank you.

EDUCATIONAL TELEVISION FACILITIES

WITNESSES

IVAN A. NESTINGEN, UNDER SECRETARY OF HEALTH, EDUCATION,
AND WELFARE

JOHN W. BYSTROM, ASSISTANT TO THE UNDER SECRETARY

CHARLES N. ZELLERS, EXECUTIVE OFFICER, BUREAU OF EDUCATIONAL ASSISTANCE PROGRAMS, OFFICE OF EDUCATION

JOSEPH L. PREISSIG, BUDGET EXAMINER

JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....			203
Positions other than permanent.....			5
Other personnel compensation.....			2
Total personnel compensation.....			211
12 Personnel benefits.....			16
21 Travel and transportation of persons.....			34
23 Rent, communications, and utilities.....			8
24 Printing and reproduction.....			8
25 Other services.....			4
26 Supplies and materials.....			2
31 Equipment.....			2
41 Grants, subsidies, and contributions.....			6,715
Total obligations.....			7,000

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....			23
Full-time equivalent of other positions.....			1
Average number of all employees.....			23
Number of employees at end of year.....			23
Average GS grade.....			9.9
Average GS salary.....			\$8,807

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Project grants.....			6,715
2. Administration:			
(a) Executive direction and coordination.....			69
(b) Program operations.....			198
(c) Legal services.....			18
Total program costs funded—obligations.....			7,000
Financing:			
New obligational authority (appropriation).....			7,000

GENERAL STATEMENT

Mr. FOGARTY. Are you going to testify on educational television facilities?

Mr. NESTINGEN. I am.

Mr. FOGARTY. Go ahead.

Mr. NESTINGEN. Mr. Chairman and members of the committee, the Educational Television Facilities Act, which became law last May, authorized \$32 million in Federal funds, over a 5-year period, on a matching grant basis, to State and local government agencies and non-profit organizations engaged in educational television, for the acquisition and installation of transmission equipment to be used by educational television broadcast stations. A supplemental request for \$2 million is being submitted to implement the program in 1963. The request you have before you in the amount of \$7 million is to extend the program through fiscal 1964.

The Educational Television Facilities Act comes at an important moment for the Nation. We are trying to increase both the quantity and quality of education to prepare the Nation to meet international competition. Television makes it possible to bring high-quality education to large number of people at low cost. By encouraging the construction of noncommercial television stations, the Educational Television Facilities Act will improve educational opportunities for youth and adult alike.

STATE AND LOCAL MATCHING FUNDS

The authorization of Federal funds for educational television contained in Public Law 87-447 has been a go-ahead signal to organizations in the various States. States have moved to established statewide educational television planning authorities. By the end of calendar year 1962 there were 41 States with established educational television authorities while at the beginning of 1962, there were only 27 such States. A large number of State and local groups are so far advanced in planning that they have non-Federal matching funds now in hand. The availability of State and local matching funds is one of the principal determining factors in the rate at which educational television stations will be constructed or expanded. Under this statute, non-Federal appropriations or contributions will pay approximately \$2 out of \$3 of initial capital investment necessary to place a new station in the air and will then pay all the operating costs. We estimate that there is available now non-Federal matching sufficient for at least \$9 million in Federal funds. We are informed that legislation is being sought in at least 20 States this year calling for State funds to be used for matching purposes. These requests total over \$25 million for the next biennium with some bills making State funds contingent on the availability of Federal grants. In addition, private groups are engaged in fund raising which should account for the availability of several more millions.

These actions indicate the soundness of Congress approach in the educational television facilities legislation. Federal funds were seen

as "seed money" to encourage the construction of multipurpose educational television stations. In February of this year there were only 76 educational television stations. Yet 324 channels had been reserved for educational television by the Federal Communications Commission. However, in preparation for Federal support, State and local groups are initiating cooperative efforts to raise their share of capital costs.

EFFECT OF PROPOSED INSTITUTIONAL TELEVISION SERVICE

A question has been raised as to the effect of the Federal Communications Commission's proposal to make available to educators frequency space in the vicinity of 2000 Mc/s range for a new institutional television service. Does it make obsolete the educational television broadcast service, to conventional receivers in home and school, supported by this act? It continues to be the view of the Federal Communications Commission that the proposed new institutional service is no substitute for educational television broadcasting but that one service supplements the service furnished by the other. The 2000 Mc/s range will serve only those locations equipped with special receiving equipment. It cannot, because of its private nature, perform the dual role of service for in-school and in-home instruction and cannot provide the general public educational television broad service which is assisted by this Federal program.

DESIRABILITY OF EXPEDITING PROGRAM

The prime objective of the act is "quick action" in "expediting as much as possible the construction of educational television broadcasting facilities." If Federal funds become available too slowly, local groups will delay expending their funds in the face of the Federal authorization because they thus deplete potential non-Federal matching funds when they contract for transmission equipment without a Federal grant. Federal funds must be available in amounts consistent with State and local activity, or the act can become an active force against development of educational television rather than an incentive for development.

Freedom of choice must be protected and extended in education as in the whole of America. This program helps to achieve that aim in two ways. First, educational television broadcast stations can immensely increase the choices for instruction available to school boards, school administrators, and, most important, students. This act supplies an expanded opportunity for excellent instruction where it is now unavailable or in short supply. Acceptance of this opportunity is, of course, the prerogative of the local educational agencies.

Second, educational broadcast television can provide new choices for individual development to those outside the school—housewives, professional men, farmers, businessmen, craftsmen, and technicians—those who would find it difficult or impossible to enjoy cultural development or formal instruction without an educational television signal which can be received by a home receiver.

INCREASE REQUESTED FOR 1964

We are requesting \$6,715,000 for grants in fiscal 1964. This is an increase of \$4,815,000 over that requested for 1963, and it is a conservative figure. It is based on the amount of non-Federal matching funds we were advised by State and local agencies was available as of December 1962. It is not based on the amount of funds to be raised, or on the estimated amount of grant requests to be made. We are taking this approach until we have actual applications before us and are able to gauge the situation further.

The estimate contains \$285,000 to provide for the full year operation of the program. There is no increase in the staff of 13 professional and 10 clerical persons requested in the supplemental estimate for 1963.

To meet the statutory requirements and to assure the high priority for the program asked by Congress, we are placing responsibility for administrative direction in a small unit in the Office of the Secretary. It will advise the Secretary on rules and regulations, criteria, and the approval of project grants and will coordinate the program with the FCC and other Federal agencies.

Operation responsibility will be in the Bureau of Educational Assistance Programs of the Office of Education which will carry the principal burden of processing grant applications. Thus, we are able to take advantage of the Bureau's considerable experience in grant work and benefit from the Office of Education's professional services in this new media of education. The granting of this appropriation request will help encourage development of a vital technical facility which can help greatly in meeting the educational needs of individuals and of the Nation.

OPPOSITION TO LEGISLATION

Mr. FOGARTY. When this legislation was passed, what was the main opposition to it?

Mr. NESTINGEN. There was concern about—I defer to the staff—but as I recall, there was concern about (1) Federal control, and (2) whether or not it could be done without all Federal funds. It was proposed during the previous administration on two separate occasions, and opposed by that administration.

Mr. FOGARTY. How were those objections answered?

Mr. NESTINGEN. There is no real need for concern on this, Mr. Chairman. The FCC grants the frequency; HEW decides as to the Federal grant, and is assured that the use will be for educational purposes. The money for operation and programing and for non-Federal matching is provided at the local level by the appropriating agency. The programing, curriculum planning, and so on, is completely within the jurisdiction of State and local government or the private educational agency handling it.

Mr. FOGARTY. What is the second? Whether or not there should be Federal funds?

Mr. NESTINGEN. Whether or not educational television construction was going to be done without Federal funds.

Mr. FOGARTY. What is the answer to that?

Mr. NESTINGEN. We absolutely need this incentive. What can be done with educational TV we need not tell you. The program is most worth while and requires Federal financial assistance to stimulate educational TV construction.

CHANNELS RESERVED FOR EDUCATIONAL TV

Mr. FOGARTY. What about Rhode Island? Have they passed legislation on that?

I thought they were ready.

Mr. BYSTROM. They have one channel.

Mr. FOGARTY. We will put the table on 168 into the record.

(The table follows:)

*Educational television facilities—Channel reservations and operating stations—
By States (Jan. 1, 1963)*

State or possession	Channels reserved ¹	Operating stations	State or possession	Channels reserved ¹	Operating stations
Alabama.....	16	4	Nebraska.....	7	1
Alaska.....	4		Nevada.....	2	
Arizona.....	2	2	New Hampshire.....	2	1
Arkansas.....	3		New Jersey.....	6	
California.....	10	3	New Mexico.....	7	1
Colorado.....	4	1	New York.....	12	2 4
Connecticut.....	3	1	North Carolina.....	8	1
Delaware.....	1		North Dakota.....	6	
District of Columbia.....	1	1	Ohio.....	10	4
Florida.....	22	6	Oklahoma.....	7	2 3
Georgia.....	12	2 3	Oregon.....	4	2
Hawaii.....	4		Pennsylvania.....	5	3
Idaho.....	2	1	Rhode Island.....	1	
Illinois.....	8	3	South Carolina.....	4	
Indiana.....	9		South Dakota.....	4	1
Iowa.....	6	1	Tennessee.....	8	2
Kansas.....	8		Texas.....	18	2 5
Kentucky.....	11	1	Utah.....	5	2
Louisiana.....	4	2	Vermont.....	4	
Maine.....	5	1	Virginia.....	5	2 1
Maryland.....	1		Washington.....	10	2 5
Massachusetts.....	3	1	West Virginia.....	4	
Michigan.....	14	2 2	Wisconsin.....	12	2
Minnesota.....	3	1	Wyoming.....	1	
Mississippi.....	5		Puerto Rico.....	1	2 2
Missouri.....	4	2			
Montana.....	6		Totals.....	324	75

¹ Federal Communications Commission—Rules and Regulations, September 1961, vol. III, subpt. E, par. 3,606(b).

² 1 station in each case operating noncommercially on a commercial channel.

Mr. BYSTROM. They have some studio equipment in the Rhode Island College which they plan to use for a station. The committee has in addition, received an offer of a gift from a commercial station, including a transmitter housing, and a tower. Commissioner of Education Walsh reported about 3 months ago as Chairman of the Advisory Committee on Educational Television which has prepared the layout and the plan for a station.

Mr. FOGARTY. A supplemental request for \$2 million for 1963 is pending and the request for 1964 is \$7 million. Included in both requests are funds for 23 positions.

PROVISIONS OF EDUCATIONAL TELEVISION FACILITIES ACT

Since this is a new program, tell us about the legislation itself—what it authorizes, the limitations placed on appropriations, who grants are to be made to, on what basis, and so forth.

(The requested information follows:)

PROVISIONS OF THE EDUCATIONAL TELEVISION FACILITIES ACT

The new law authorizes the appropriation of an aggregate of \$32 million over a 5-year period, beginning in fiscal year 1963, to assist in the construction of educational television facilities. Applications must be submitted prior to July 1, 1968.

Construction grants may be awarded to (1) an agency or officer responsible for the supervision of public elementary or secondary education or public higher education within a State, or within a political subdivision thereof, (2) a State educational television agency, (3) a college or university deriving its support in whole or in part from tax revenues, and (4) a nonprofit foundation or other organization formed primarily for educational television purposes which are eligible for an educational television license under present regulations of the Federal Communications Commission.

These funds will be matched by the grantees. The Federal share may be up to 50 percent of an approved project for new construction plus not to exceed 25 percent of the reasonable and necessary cost of any educational television broadcast facilities owned by the applicant on the date he files his application. The total Federal share may not exceed 75 percent of the approved project cost for the expansion of existing facilities. Funds are limited in use to acquisition and installation of television transmission equipment, and are not available for construction of buildings. No State will receive more than \$1 million in grants.

The amount that the recipient may spend for equipment needed to connect two or more broadcasting stations is limited to 15 percent of any grant. The purpose of this limitation is to assure that most of the available funds will be used for putting new stations on the air, rather than into the interconnection of stations.

The use for closed circuit purposes of transmission apparatus acquired or installed with Federal financial assistance is restricted to that which is "incidental" to the broadcast purpose.

In applying for a grant the applicant must assure (1) that the operation of the facility will be under the control of a qualified applicant, (2) that the necessary funds will be available for construction and operation, and (3) that the facility will be used only for educational purposes.

Criteria for evaluating applications, to be established in regulations, will be designed to achieve (1) prompt and effective use of all available remaining educational channels, (2) equitable geographical distribution of educational television facilities throughout the States, and (3) provision of educational television facilities to serve the greatest number of people in as many areas as possible.

The administration of the grant program is vested in the Secretary of Health, Education, and Welfare, who will promulgate rules and regulations necessary to carry out the provisions of the act. The Federal Communications Commission is authorized to give any necessary assistance to the Secretary of Health, Education, and Welfare.

BREAKDOWN OF REQUESTED PERSONNEL

Mr. FOGARTY. Give us also, a breakdown of these 23 positions.

Mr. NESTINGEN. Yes, sir.

(The information follows:)

Educational television facilities—Breakdown of positions, fiscal year 1964

	Grade	Annual salary
Executive direction and coordination (Office of the Secretary):		
Assistant to the Secretary.....	GS-16.....	\$16,016
Deputy assistant to the Secretary.....	GS-15.....	14,581
Administrative assistant and secretary.....	GS-10.....	7,301
Secretary.....	GS-7.....	5,554
Program operations (Office of Education):		
Director, program operations.....	GS-15.....	14,581
Assistant director, program operations.....	GS-14.....	12,854
Television engineer.....	GS-14.....	12,854
Do.....	GS-13.....	11,170
Educational television specialist (3).....	GS-13.....	33,510
Fiscal adviser and auditor.....	GS-13.....	11,170
do.....	GS-12.....	9,485
Reports officer.....	GS-11.....	8,050
Secretary-stenographer.....	GS-6.....	5,054
Secretary-stenographer (2).....	GS-5.....	9,152
Fiscal clerk.....	GS-5.....	4,576
Clerk-typist (3).....	GS-4.....	12,354
Legal services (Office of the General Counsel):		
Attorney.....	GS-13.....	11,170
Secretary.....	GS-5.....	4,576

BASIS FOR ESTIMATED FUND REQUIREMENTS

Mr. FOGARTY. What specific information do you have now, that indicates you will need \$2 million in 1963 and \$7 million in 1964?

Mr. NESTINGEN. I wonder if I might ask Mr. Bystrom to answer that?

Mr. BYSTROM. We have been receiving inquiries from all of the States of the Union, and statements as to State and local plans. We have evidence in our files that there are plans to launch construction on 87 new stations, prior to July 1, 1964. These are planned to commence operation, provided Federal funds are available.

Immediately after July 1, 1964, and going on for a period perhaps of 2 or 3 years, we have evidence of plans for a total of 144 educational television stations. The FCC at the present time, has applications to reserve 82 channels for education on hand.

We also have evidence that 51 of the present established stations are planning kinds of expansion. Most of these stations are at a very low power. Their idea frequently is to increase their power, and spread their signal out to more people over greater distances.

We also have further evidence that the States are attempting to raise matching funds, and that, through private efforts, additional funds are being raised as the Under Secretary indicated earlier.

MATCHING REQUIREMENTS

Mr. FOGARTY. What are the matching requirements?

Mr. BYSTROM. The matching requirements for a new station are on a 50-50 basis, for transmission equipment. This does not include housing. It does not include land, and land improvement. It is for the acquisition and installation of transmission equipment only.

Established stations may receive, in addition, a 25-percent credit based upon the amount of existing equipment. This credit is not to exceed one-fourth of the fair market value at the time it was acquired of existing equipment, which he has on hand, and the total Federal grant is not to exceed more than 75 percent of the project cost.

TEMPORARY LIMITATION BY STATE

Mr. FOGARTY. Would you explain the "temporary limitation by State"?

Mr. NESTINGEN. There is a limitation in the law of no more than \$1 million to any one State.

Mr. FOGARTY. Go ahead.

Mr. NESTINGEN. We set aside \$2 million at the outset for a reserve for unknown contingencies that might arise. I would like to come back to that a little more, later on.

Mr. FOGARTY. All right.

Mr. NESTINGEN. The balance of that \$30 million, is broken down by State taking into account State, population, and area. We ascribed to the States a factor of 50 percent for the percent of total U.S. population in the State, and 50 percent for the percent of total U.S. land area. We broke down the \$30 million in that way by State. The \$2 million held in reserve has been set aside in the event there would be applications coming in which might exceed slightly the temporary limitation but still be very worthwhile projects. We would have this contingency to fall back on in that event. And thus, we would distribute the grant funds on the most equitable basis.

Mr. FOGARTY. I see you have a table on page 171 in the justification. We will put that in the record.

(The information follows:)

Table of temporary limitation by State

State or possession:	Amount	State or possession:	Amount
Alabama.....	\$544,314	Nebraska.....	\$493,281
Alaska.....	1,000,000	Nevada.....	561,325
Arizona.....	646,381	New Hampshire.....	300,000
Arkansas.....	425,235	New Jersey.....	595,348
California.....	1,000,000	New Mexico.....	663,393
Colorado.....	663,393	New York.....	1,000,000
Connecticut.....	300,000	North Carolina.....	680,404
Delaware.....	300,000	North Dakota.....	391,211
District of Columbia..	300,000	Ohio.....	1,000,000
Florida.....	731,439	Oklahoma.....	544,314
Georgia.....	646,381	Oregon.....	629,370
Hawaii.....	300,000	Pennsylvania.....	1,000,000
Idaho.....	459,257	Rhode Island.....	300,000
Illinois.....	1,000,000	South Carolina.....	357,190
Indiana.....	612,359	South Dakota.....	425,235
Iowa.....	527,303	Tennessee.....	544,314
Kansas.....	595,348	Texas.....	1,000,000
Kentucky.....	476,268	Utah.....	476,268
Louisiana.....	527,303	Vermont.....	300,000
Maine.....	300,000	Virginia.....	561,325
Maryland.....	340,180	Washington.....	595,348
Massachusetts.....	510,291	West Virginia.....	300,000
Michigan.....	1,000,000	Wisconsin.....	646,381
Minnesota.....	714,427	Wyoming.....	493,280
Mississippi.....	425,235	Puerto Rico.....	300,000
Missouri.....	731,439		
Montana.....	765,460	Total.....	30,000,000

Mr. KELLY. There is no formula prescribed in the law, other than for those States who exceed the million dollars. The problem is that the law authorizes appropriation of \$32 million over a period of 5 years. We want to be certain that in the early administration of the funds, that no State gets an advantage over another State which is not ready to come in.

GEOGRAPHIC DISTRIBUTION OF RESERVED CHANNELS

Mr. FOGARTY. Now, I notice on page 168, that some of the Southern States like Alabama, Florida, and Georgia have more channels reserved than States with big populations like New York, Ohio, California, and Pennsylvania.

In Alabama, you have 16 channels, and only 6 in New Jersey. You only have 10 in California and in Florida, you have 22. Why is that?

Mr. NESTINGEN. Good leadership for one thing.

Mr. FOGARTY. It seems to me there must be some other reason.

Mr. NESTINGEN. The second thing is the economy of extending education in this way. I think they are recognizing it and utilizing TV in education.

Mr. BYSTROM. Mr. Chairman, the States of New York, New Jersey, and Ohio are moving ahead now.

Mr. FOGARTY. Pennsylvania has only five.

Mr. BYSTROM. Pennsylvania has a request before the FCC for seven additional channels.

Ohio has a request for 30 additional channels.

New York has a request for 18 additional channels.

These States—such as Pennsylvania and New York—have very extensive plans developed and have proposals before their State legislatures providing for matching funds, and I think you are going to see rapid development in most of those States.

RESPONSIBILITIES OF FCC AND DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. FOGARTY. In administering the program, what are your responsibilities and what are those of the Federal Communications Commission?

Mr. NESTINGEN. HEW has the responsibility of ascertaining eligibility under the statute; whether or not the organization applying for the grant is eligible; if the equipment for TV broadcasting is used for educational, noncommercial purposes; whether or not the applicant has financial ability to operate the station; whether or not the applicant will retain ownership and control of the equipment; whether or not the service proposed to be extended will serve the broadest educational needs possible to the widest area; that the project is technically able to do the educational job proposed; and that the applicant has the required authorization from the FCC.

The FCC ascertains information about the educational organization; that the broadcast station is technically able to provide the service, the signal, that meets standards established by the Commission; that

the organization is financially responsible and has broad programs to serve the public interest, convenience, and necessity. Generally speaking, that is it.

NEED FOR FEDERAL PROGRAM

MR. FOGARTY. This is a very important program, is it not?

MR. NESTINGEN. In my judgment it is very important. It is a small program, but nevertheless extremely important to the Nation.

MR. FOGARTY. And you are convinced unless the Federal Government assumes the leadership in this area the chances of it being carried out are very slim; is that right?

MR. NESTINGEN. Very slim, or the rate of progress will be far slower than what I feel to be necessary for an urgently needed type of service.

MR. FOGARTY. Take your time and go into some detail on the importance of this.

MR. NESTINGEN. The act is based on the concept that Federal assistance for capital outlay will provide the incentive to assure construction of a substantial number of educational television stations. Under the program approximately \$1 out of every \$3 necessary for the construction of an educational television station will be furnished by Federal grant.

The effectiveness of this approach has already been demonstrated in the 1950's by the Fund for Adult Education. This private foundation assured the construction of 33 stations with a total of \$4 million in capital outlay grants on a 1-in-3 basis.

The experience of the past year further demonstrates the effectiveness of this approach. Under the stimulus of the Federal authorization contained in the Educational Television Facilities Act, State legislation is now being proposed and passed and private fundraising campaigns are underway in all parts of the United States, as has been described. The principal reason for the effectiveness of this relatively modest Federal incentive is found in the nature of the educational television broadcast station. A successful station requires the active participation of many groups. These groups require a clear and immediate reason to be drawn together in the negotiations and planning that typically precede the establishment of this complex enterprise. That immediate reason is provided in the possibility of Federal assistance.

Once underway, the value of the station's service becomes evident. The programs of the station provide a tangible reason for continued support by the locality. Thus there has been only 1 failure against 76 successes in a decade of educational television.

Absence of Federal assistance at this stage would not only be disheartening, it would in many cases block all hope of development. This week, for example, legislation was passed in Arkansas providing \$250,000 in State funds to be used only if Federal matching is available. In cities as distant as Duluth, Minn., El Paso, Tex., Los Angeles, Calif., Richmond, Va., and Cleveland, Ohio, private fund-raising is being undertaken successfully on the assumption that Federal assist-

ance will be forthcoming. Local committees would be in serious distress, in many cases losing sizable donations, if the Federal incentive did not materialize. Although local committees are usually made up of the communities' most influential citizens, it would be extremely difficult for them to begin again.

The mounting activity in station development at State and local level, combined with other forward steps such as the all-channel receiver legislation, can make 1964 the greatest year in educational television station activation. However, this can only become true if Federal assistance on which almost all plans are based is made available in sufficient amounts to meet the needs of the forward thrust now underway.

Mr. FOGARTY. Thank you, that was a good statement.

Mr. Denton?

ASSIGNMENT OF CHANNELS

Mr. DENTON. I think the stations listed in the justifications have been put in the record. Are they high frequency or ultra-high frequency?

Mr. BYSTROM. Ninety-nine of them are VHF, or very-high frequency, and the remaining 225 are UHF, or ultra-high frequency.

Mr. DENTON. Were they assigned in this last division the Federal Communications Commission made?

Mr. BYSTROM. The largest share of them were assigned under the 6th rule and order, I think about 1952. Since that time educational organizations have gone in and have particularly requested that certain channels be reserved for education. That is what is happening today, in the case of Ohio asking for 30 channels.

I can say further that the receiving set manufacturers who, under recent legislation, will soon be required to produce only all-channel receivers, are very anxious to see the development of educational television and UHF.

Mr. DENTON. Are you going to have these closed stations?

Mr. BYSTROM. No. These are open circuit broadcast stations. It is a requirement of law.

Mr. DENTON. I live in Evansville, Ind., and we have had an educational program over television for some time. The schools pay for it, but some States, other than Indiana, get the service and do not pay for it. That is a problem they have, too. How are you going to solve that problem, or does that not concern you?

Mr. BYSTROM. That will not be one of our responsibilities because the continuing financing of the program operations is a matter of State and local jurisdiction. The only point at which Federal Government is involved is to hold out a kind of "carrot" to get groups together to do the capital financing.

Mr. DENTON. I guess this does not affect anybody on the committee but me, but being in a tri-State area where television stations in Evansville, for instance, would cover Illinois and Kentucky, probably more than they would Indiana, I can see a great deal of difficulty that we will have getting the stations to advance funds on that kind of program.

BUDGET REQUEST FOR 1964

Anyhow, you do not have any appropriations now, but you have a request pending for \$2 million?

Mr. BYSTROM. That is correct.

Mr. DENTON. You have 23 employees at the present time?

Mr. KELLY. No, sir. These are also being requested in that supplemental.

Mr. DENTON. You have no employees?

Mr. KELLY. No, sir.

Mr. NESTINGEN. We have 11½ people working on that.

Mr. DENTON. Just one man?

Mr. NESTINGEN. Yes, sir; Mr. Bystrom, and we are working on a catch-as-catch-can basis.

Mr. DENTON. He is under your office?

Mr. NESTINGEN. Yes, sir, he is.

Mr. DENTON. I see. You are going to ask 23 for this year?

Mr. NESTINGEN. Yes, we are.

Mr. DENTON. The supplemental shows \$100,000 for administration expenses and \$285,000 for next year.

Mr. NESTINGEN. Yes. That is right.

Mr. DENTON. That increase is because the program runs for a full year in 1964, and runs only part of the year in 1963?

Mr. NESTINGEN. Yes.

Mr. KELLY. That is right.

Mr. DENTON. And, with your supplemental, you have enough money for \$9 million worth of grants minus \$385,000?

Mr. NESTINGEN. That is right.

Mr. DENTON. You have enough applications from the States to warrant that?

Mr. NESTINGEN. There will be no question on that. We will have applications well in excess of that.

Mr. DENTON. That is all.

Mr. NESTINGEN. On that question about service of the three-State area, I doubt that there will be much of a problem on working that out administratively. We will have that in a number of areas, similar type circumstances.

Mr. FOGARTY. Is there anything else you want to say?

Mr. NESTINGEN. No. Thank you very much.

Mr. FOGARTY. Thank you very much, Mr. Secretary.

OFFICE OF FIELD ADMINISTRATION

WITNESSES

CHESTER B. LUND, DIRECTOR, OFFICE OF FIELD ADMINISTRATION
 MORTON R. SMALL, FINANCIAL MANAGEMENT OFFICER
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	3,553	3,840	4,146
Positions other than permanent.....	27	28	24
Other personnel compensation.....	57	6	51
Total personnel compensation.....	3,637	3,874	4,221
12 Personnel benefits.....	269	288	313
21 Travel and transportation of persons.....	233	263	298
22 Transportation of things.....	9	6	6
23 Rent, communications, and utilities.....	155	179	261
24 Printing and reproduction.....	23	18	18
25 Other services.....	28	41	55
26 Supplies and materials.....	97	113	135
31 Equipment.....	42	8	28
Total obligations.....	4,493	4,789	5,335

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	578	595	617
Full-time equivalent of other positions.....	7	7	6
Average number of all employees.....	552	558	548
Number of employees at end of year.....	570	565	545
Average GS grade.....	7.2	7.4	7.6
Average GS salary.....	\$6,488	\$6,970	\$7,236

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Field administration.....	2,594	2,710	2,971
2. Grant-in-aid audits.....	1,674	1,844	2,089
3. State merit systems.....	238	254	270
Total program costs, funded.....	4,506	4,808	5,330
Change in selected resources ¹	-13	-19	5
Total obligation.....	4,493	4,789	5,335
Financing:			
Comparative transfers to other accounts.....	134	165	
Advances and reimbursements (-).....			
For emergency preparedness functions.....			-164
From non-Federal sources (annual appropriation act):			
Federal old-age and survivors insurance trust fund.....	-1,427	-1,457	-1,302
Operating fund, Bureau of Federal Credit Unions.....	-38	-38	-35
Proposed increase in limitation due to pay increases:			
Federal old-age and survivors insurance trust fund.....		-44	
Operating fund, Bureau of Federal Credit Unions.....		-1	
Unobligated balance lapsing.....	87		
New obligational authority.....	3,248	3,414	3,834
New obligational authority:			
Appropriation.....	3,265	3,335	3,834
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353 and 76 Stat. 728) (-).....	-17	-53	
Appropriation (adjusted).....	3,248	3,282	3,834
Proposed supplemental due to pay increases.....		132	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$58,000 (1962 adjustments, -\$6,000); 1962, \$39,000; 1963, \$20,000; 1964, \$25,000.

GENERAL STATEMENT

Mr. FOGARTY. Next is the request for salaries and expenses of the Office of Field Administration.

Mr. Lund, we will put your complete statement in the record at this point.

(The statement follows:)

Mr. Chairman and members of the committee, the activities financed under this appropriation are responsible for nine consolidated regional offices, audit of grant-in-aid programs, and administration of merit systems provisions applicable to grant-in-aid programs.

FUNCTIONS

There are three major activities financed under this appropriation. These are: Field Administration, Grant-in-Aid Audits, and State Merit Systems. The request for fiscal year 1964 is \$5,171,000 for 605 positions.

The Field Administration activity is responsible for development and carrying out of Department policies relating to the organization, evaluation, and coordination of the Department's field activities, and providing administrative services necessary to the operation of nine regional offices. The regional director represents the Secretary in each region, directs and supervises these offices, carries out Department policies, and is responsible for overall public relations and liaison with Governors and other principal public officials. Legal, grant-in-aid audit, and civil defense services plus merit system review and consultation services are furnished to regional program operations, States, and certain local agencies through staff assigned to the regional director. Administrative services are also provided on a unified economical basis to staff in the regional office proper and to employees under regional office jurisdiction but located elsewhere.

The grant-in-aid audit activity performs audits at the State and local level for 37 grant programs administered by the Public Health Service, Social Security Administration, Welfare Administration, Vocational Rehabilitation Administration, and the Office of Education. It also audits State surplus property agencies on the utilization of Federal surplus property. In addition, it is responsible for working with Department program officials in developing and interpreting fiscal requirements and standards in use of grant-in-aid funds.

State merit system personnel serve the Department's grant-in-aid programs in relation to their requirements on State personnel administration. They review State personnel operations and their current standards and provisions required under Federal law and regulations. Furthermore, through these reviews and through the technical services provided, they help States meet the required standards and by more effective methods to achieve greater economy and efficiency in their administration.

ACCOMPLISHMENTS AND ANTICIPATED PERFORMANCE

We are continuously making gains in achieving our objective of coordination and more uniform and effective operation of regional offices. Under supervision of the regional directors, related programs continue to be brought into much closer operating relationships. Considerable emphasis is being placed on appraising our field organization and management to attain more effective coordination, efficiency and economy.

Administrative services were provided by our regional office management staff to 20,800 field positions in fiscal year 1962, an increase of 13 percent over fiscal year 1961. In fiscal years 1963 and 1964 it is anticipated that they will service 21,600 and 22,900 positions, respectively. These figures represent an increase of 4 percent for fiscal year 1963 and 6.3 percent for fiscal year 1964. The total positions to be serviced in fiscal year 1964 represent 26 percent of the Department's total. Increased workload is anticipated in all areas and is occasioned by substantive program expansion.

Our audit activity also continues to grow. In fiscal years 1963 and 1964 the incoming workload is estimated at 2,400 and 2,870 audits, respectively. The majority of these audits represents construction audits of hospitals, schools, sewage treatment, and health research facilities. These require our immediate attention since audit must be performed before final payments can be made to contractors and vendors. In fiscal year 1962 we initiated and emphasized a program to attain a reduction of our backlog. I am happy to report that as a result of this program we have reduced our backlog from 54 to 37 man-years as of June 30, 1962. Furthermore, we anticipate a reduction of 15 man-years in fiscal year 1963 and 6 man-years in fiscal year 1964. We hope to eliminate it by June 30, 1967.

Our merit system staff will continue to respond to State requests for technical services on personnel administration and also provide advice to our program units. The magnitude of this operation can be better illustrated by the fact that they are involved in 21 types of grants-in-aid, which apply to 70 different State merit systems and over 300 State agencies. The workload of this activity is also increasing due to enactment of recent legislation; such as, the Community Health Services and Facilities Act of 1961, 1962 Public Welfare Amendments, et al.

INCREASED REQUIREMENTS FOR FISCAL YEAR 1964

Our additional needs are \$731,000 and 36 positions.

Our field administration activity requirements represent 26 additional positions which include 10 positions (5 professional and 5 secretaries) to provide assistance to regional offices, 15 clerical positions for the regional offices, and 1 management analyst for headquarters.

The additional staff assistance for regional offices is to partially correct deficiencies which have resulted because the regional directors' immediate staffs have not kept pace with the increased size and complexity of Department programs. Some of these deficiencies as a result of staff limitations include—

1. Inability to collect, analyze, and interpret program data and other information for improvement in departmental field administration.
2. Inadequacies in describing and interpreting special problems, characteristics of regions and local communities, economic and social conditions and program performance.

3. Inability to meet or inadequate responses to requests from States, legislative bodies, et al.

4. Since the regional director must personally attempt to fill some of the gaps mentioned, too little time remains for broader and more appropriate matters, such as management appraisal, improved administrative reporting, and program development.

Correction of these deficiencies and the removal of the related handicaps to more effective administration cannot be accomplished without the addition of this specific skill to the staff of the regional director.

The regional office management sections which provide various services to operating agency staffs assigned to regional offices are faced with workload increases. To meet this increase there is a need for 15 clerical positions—9 for fiscal duties and 6 for office services.

Staff increase for operating agencies is anticipated to be 1,311. This increment plus continuing increase in workload for existing staff will create problems. For example: In fiscal year 1962, 86,000 vouchers were processed; in 1963 and 1964 it is expected to be 98,000 and 109,000, respectively. The accounting transactions are going from 263,000 in 1962 to 290,000 in 1964. Similar increases are anticipated in the office services area. Purchase and requisition documents will number 32,000 in 1964, compared to 24,000 in fiscal year 1962. Reproduction work represented 63,000 plates in 1962 and is anticipated to be 68,000 in 1964. This additional staff is necessary to meet these increases and to continue providing the quality and quantity of services required by the various programs if they are to effectively carry out their missions.

	Anticipated increase in workload 1962-64	Requested increase in regional offices staff
Financial management:	<i>Percent</i>	
Vouchers.....	26.7	7.9
916 transactions.....	10.2	
Office services:		
Purchase and requisition documents.....	33.3	8.2
Reproduction.....	7.9	
	<i>Number</i>	
Personnel (persons serviced).....	6.3	

The table above relates the anticipated increase in workload to the requested additional staff.

A management analyst is requested for headquarters to adequately provide and improve management analysis services. The importance of this function is increasing in view of the continuous growth in programs serviced.

Management surveys and appraisals are needed to help regional directors improve their own organizations and operations so they can cope with their problems and workloads. Management needs data and information for use in identifying areas and ways to increase efficiency and effectiveness and achieve greater economy. This position is needed to assist in carrying out these activities.

Our grant-in-aid activity requires 10 additional field auditors to meet the workload impact due to new or expanded legislation. Increased workloads requiring audit action in 1964 are estimated at an additional 19 man-years. By deferring the elimination of the backlog to June 30, 1967, we have limited our request for 1964 to 10 additional positions. Workload increases are occasioned by the enactment of the Public Welfare Amendments, Community Health Services and Facilities Act, and several others. These positions are necessary if we are to meet this workload without substantially increasing our backlog.

Other major increases include funds for increased pay costs, space in regional offices to house new staff, increase in man-year availability, and reclassification of State auditors in charge.

SUMMARY OF FINANCIAL AND STAFF REQUIREMENTS

This budget includes \$5,171,000 and 605 positions. Our gross additional needs are therefore \$731,000 and 36 positions. However, 26 positions have been eliminated from this request because of conversion of our manual payrolling

operations to electronic processing, reducing our additional needs to 10 positions and \$382,000.

The 36 positions will provide staff assistance for 5 regional directors to correct major deficiencies resulting from the increasing size and the complexity of Department programs, additional clerical positions for regional offices to cope with increased workloads due to operating agency expansions in regional offices, and field auditors to meet workload impact resulting from new and/or expanded legislation.

All these increases are necessary in the performance of our assigned responsibilities if we are to carry them out effectively, efficiently, and economically.

Mr. LUND. I would like to present a summary—a very brief statement.

Mr. FOGARTY. All right.

Mr. LUND. We have already taken care of the lengthier statement.

I am pleased to have the opportunity to appear before this committee in presenting the needs for the Office of Field Administration.

INCREASES REQUESTED FOR 1964

This request includes \$5,171,000 and 605 positions to finance 3 activities, field administration, grant-in-aid audits, and State merit systems services. Our additional needs are \$731,000 and 36 positions. However, 26 positions have been eliminated from this request because of conversion of our manual payrolling operations to electronic processing, reducing our additional needs to 10 positions and \$382,000.

An increase of 26 positions is requested for the field administration activity. This will provide 10 positions—a professional assistant and a secretary—for 5 regional directors, 15 clerical positions for regional office management sections, and 1 management analyst for headquarters.

Assistance for the regional offices is necessary to correct deficiencies resulting from the increasing size and complexity of the Department. These deficiencies include inability to collect, analyze, and interpret program data, meet requests from States, legislative bodies, and inadequacies in resolving and interpreting special problems. The Department has recently produced an excellent plan for appraising DHEW field organizations and management. The implementation of the plan, however, will require more of the regional directors' time than can be spared under present conditions.

Fifteen clerical positions are needed to meet the workload increases due to staff expansion in regional offices anticipated for fiscal year 1964 and that occasioned from prior impacts.

One position is requested for headquarters to adequately provide management analysis services. The management staff must be strengthened to identify areas and ways to increase efficiency and effectiveness and achieve greater economy.

The grant-in-aid audit activity requires 10 additional field auditors to cope with the additional workload created by new and expanded programs, such as the Public Welfare Amendments of 1962, Community Health Services and Facilities Act of 1961, Grants for Educational Television, and Juvenile Delinquency. These positions are necessary if we are to meet this workload and continue reducing our backlog.

Other increases include funds for pay increased costs, space in regional offices to house new staff, increase in man-year availability, and reclassification of State auditors in charge.

I will be happy to try to answer any questions you may have.

Mr. FOGARTY. Thank you, Mr. Lund.

Including all adjustments, you have \$4,789,000 available for 1963 and the request for 1964 is \$5,171,000, an increase of \$382,000 and a gross increase of 36 positions, but since 26 positions are being transferred, the net increase is 10.

REQUESTED ASSISTANTS FOR REGIONAL DIRECTORS

Now, what about these assistants for regional directors? Are you still as convinced as ever that they should be provided?

Mr. LUND. Yes.

Mr. FOGARTY. You are asking for 10 positions, \$90,000.

Mr. LUND. I feel that these positions are needed. There are more and more requests on the part of States.

We are asking for five of those positions for our larger offices so that the time of our regional director can be liberated somewhat.

Mr. FOGARTY. Which ones are you considering?

Mr. LUND. They will be assigned strictly on a workload basis: New York, San Francisco, Atlanta, Chicago, and then there will be a further study as to the fifth, which will be determined in relation to workload at the time of assignment.

I feel that this is needed and that we could do a very much better job if we could put the necessary materials together.

Our relationships and requests from States and local governments are increasing. They wish to know how they can reorganize, and are asking more and more services of our people to come in and sit down with them and go over how the State can improve their operations, as they relate to our particular programs.

We feel that it would be a distinct advantage to us to be able to coordinate this and give them the needed information. In the long run, more specific data and services, which they have requested and would improve program operations without interfering with program planning on the part of the constituents who operate it.

I feel sincerely that it would result in an improvement.

As I think I said last year, if this does not result, we would be ready to drop it out.

Mr. FOGARTY. You what?

Mr. LUND. I say, if this does not prevail, if we cannot produce this result after experimentation, we would be perfectly willing to drop it out.

Mr. FOGARTY. That very seldom happens though.

Mr. LUND. That is correct.

Mr. FOGARTY. Now, the payrolling done by the regional offices being centralized in the Office of the Secretary and the regional representatives on aging are being centralized in the Office of Aging under the new Welfare Administration. It looks like the regional director's job is being simplified.

Mr. LUND. No.

Mr. FOGARTY. No?

Mr. LUND. Well, I would have to answer yes and no, because a function that is carried on by the assistant regional director would be reduced somewhat. But the payroll function is under the supervision of the fiscal unit and is being transferred to Washington and is one small phase of operations to which the regional director does not give a great deal of time, so that in reality it is not significant.

Mr. FOGARTY. A former member of this subcommittee once described regional offices as "kinks in the pipe." What do you think of that expression?

Mr. LUND. Well, I do not know. Personally I think that they are in reality that unit of operation that makes for a smooth operation, bringing the administration of the Federal program close to the people; affords States more direct information and consultative services at a lower cost than could be provided in any other manner.

I think, too, that today in Government there is no organization or any large department that has not found it necessary to have a type of regional organization. I believe ours more nearly meets the overall need on all fronts, in a complex unit such as DHEW, than any other unit in this country. Certainly we are the lowest cost operating field organization in the United States.

Mr. FOGARTY. That is right.

MANAGEMENT ANALYST

I see you are asking for a management analyst. It seems that there is quite a demand this year for thinkers and analyzers. What do you need one for? I thought you were pretty good at this yourself.

Mr. LUND. This digs back into facts and relationships of the coordination and development and advancement of programs for the regional office in expediting services to States. It is actually the same person here as I mentioned earlier, a person to assist the regional director. It is not an extra position. They are one and the same. So there are only five positions.

Mr. FOGARTY. All right.

Mr. LUND. I only ask for one management analyst in our own office.

Mr. KELLY. The position he is talking about is the central office management analyst.

Mr. LUND. That is only one person to help coordinate this whole unit in the central office.

AUDIT BACKLOG

Mr. FOGARTY. You are asking for 10 additional auditors. What is the status of your backlog? Is it better or worse than a year ago?

Mr. LUND. It is improved. We have reduced it, I think, from 37 man-years down to 22.4 estimated at the end of fiscal year 1963. We have a schedule all set up.

Mr. FOGARTY. 22.4 what?

Mr. LUND. Man-years. And it is projected on a reduced basis to 1967.

Last year I think we talked in terms of 1965. Because of all of the new programs coming in, we have not been able to hold to that projection. But I think in the order of analysis, if I may, in order to save time I would like to suggest that I insert for the record exactly what has been accomplished.

Mr. FOGARTY. All right you may put that in the record.
(The pages follow:)

GENERAL STATEMENT

The principal function of the Division of Grant-in-Aid Audits is to audit each year grants-in-aid made to State agencies under 37 programs administered by the Department through the Public Health Service, the Social Security Administration, Office of Vocational Rehabilitation, and the Office of Education; and to review State activities in the utilization of Federal surplus property allocated through the Division of Surplus Property. By far the major portion of the general fund expenditures of the Department are for grants, most of which are audited by this Division. Audits should be made in 1964 of State expenditures for 1963 of approximately \$5.3 billion over half of which is from Federal funds. This does not include the backlog which has accumulated during the past several years initially caused principally by the sharp expansion of the Department's various grant-in-aid programs.

An audit is made to determine whether grants were expended by the States, territories, and some 2,600 local governmental units and nonprofit organizations in accordance with the applicable Federal and State laws, regulations, policies, and standards covering the purposes for which these funds may be used. (The auditors do not review State determinations of eligibility of recipients for public assistance or for assistance under other programs having eligibility requirements, or the records of local agencies of Federal and matching funds in the educational (except for school construction) and library fields.) It is also the function of this Division to work with the several program bureaus and offices in the development and interpretation of fiscal requirements and standards governing the use of grant-in-aid funds.

WORKLOAD

The incoming current workload of the Division for fiscal years 1963 and 1964 is estimated at approximately 2,400 and 2,870 audits, respectively, including hospital, school, sewage treatment, and health research facilities construction audits, and surplus property and disability determination audits. The annual workload will vary from year-to-year to the extent that construction audits increase or decrease in number or new programs are added. It is estimated that in 1964 there will be 650 hospital, 250 school, 600 sewage treatment, and 250 health research facility construction audits.

STAFF FUNCTIONS

The current departmental staff comprising 17 positions is responsible for the overall planning and direction of the audit program, including the formulation and maintenance of qualitative and quantitative standards of performance. They participate with operating agencies of the Department in the development and interpretation of fiscal policies and standards governing the use of grant-in-aid funds; develop and issue audit manuals; and process audit reports submitted by the field containing problems and proposed disallowances of amounts expended by the States. The latter requires joint consideration with interested program bureaus and the Office of General Counsel to develop recommended decisions for submittal to the chiefs of operating agencies for action.

The 1963 field staff is comprised of 145 auditors, 9 regional auditors, and 18 typists and secretaries; a total of 172 positions. Organizationally, there is a regional auditor in each of the nine regions with an auditor in charge in practically all of the States, the majority of the latter having one or more assistants. The principal functions of the field staff are to audit Federal grants-in-aid made to States and to certain nonprofit organizations and any required matching funds, and to review State activities in the utilization of donated Federal surplus property. In addition, the field staff renders fiscal consultative services to the States and regional staffs of the program bureaus and offices, and reviews for comment and recommendations the fiscal aspects of State plan materials.

BACKLOG

During fiscal year 1962, the Division initiated and emphasized a program to attain on or before June 30, 1965, a reduction in its backlog of audits. The Division has adopted a standard of currency which accepts a pending load equal to 25 percent of its annually accruing workload of audits of recurring grants which is equivalent to 23 man-years in fiscal year 1964.

After deducting this pending workload, incomplete audits at June 30, 1962, were estimated at 37 man-years. This represents a decrease of 16.8 man-years since June 30, 1961. The major portion of the decrease represents savings in time as a result of reappraisals of and revisions in methods and procedures in making the audits.

The projection of the Division's experience, in the 1962 audits, indicates that the backlog of incomplete audits would have been reduced to a normal pending load by June 30, 1965. This plan assumed that time demands for construction audits and time lost by staff turnover would remain substantially the same in each of the 3 fiscal years. It also assumed that workload demands for any new programs added or present programs expanded would be covered by additional staff and funds made available to maintain man-year availability equivalent to the workload projection. However, due to the absorption of workload resulting from the recent enactment of new and expanded programs, the backlog is now planned to be reduced by the end of June 30, 1967.

Mr. FOGARTY. Will you place in the record for 1961, 1962, 1963, and 1964, the audit intake, the number of audits performed, the backlog at the end of the year, what you would consider a normal backlog, and the average number of auditors on your payroll. Also place the chart, on page 91, in the record.

(The information supplied follows:)

Grant-in-aid audits

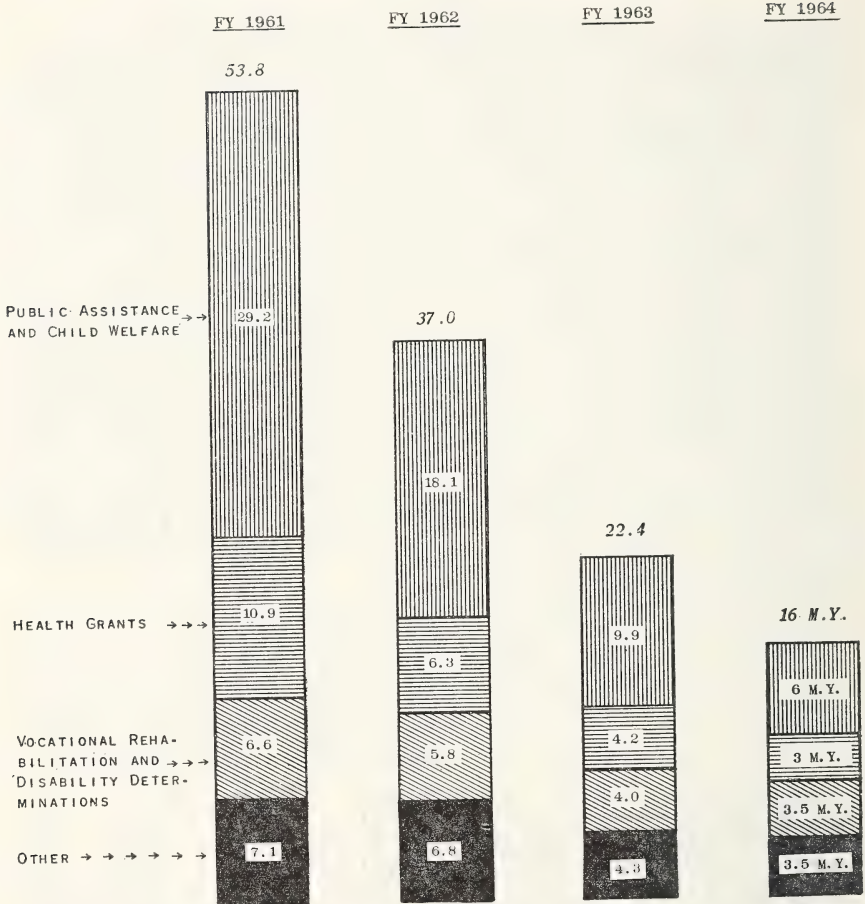
Item	Fiscal year 1961 actual	Fiscal year 1962 actual	Fiscal year 1963 estimate	Fiscal year 1964 estimate
1. Incoming workload (man-years)-----	132.4	132.8	119.7	141.9
2. Number of audits performed-----	2,250	2,450	2,600	2,900
3. Total backlog at end of fiscal year (man-years)-----	74.0	57.2	42.6	39.4
4. Normal (pending) backlog (man-years)-----	20.2	20.2	20.2	23.4
5. Excess backlog (item 3, less item 4) (man-years)-----	53.8	37.0	22.4	16.0
6. Average number of auditors on payroll:				
(a) Headquartered in States-----	124	135	135	145
(b) Regional auditors (supervisory auditors)-----	9	9	9	9

Item 4.—Pending or acceptable backlog equal to 25 percent of incoming workload for recurring audits included in item 1. Excludes construction audits, project audits, and miscellaneous time demands.

Item 6.—Excludes regional auditors' clerical staffs and Washington office staff.

STATUS OF AUDIT BACKLOG
BY PROGRAM ON MAN-YEAR BASIS
FY 1961 Thru FY 1964

(Exclusive of Pending Workload June 30, each year)



Mr. FOGARTY. Is there anything else you would like to say?

INCREASED PRODUCTIVITY

Mr. LUND. I would like to point out the volume of increase and the percentage of staff that we do not have; that is a reverse way to say it—that we have been able to absorb it. I think that is quite significant.

For example, in the processing of certain vouchers, and other activities, we have processed, in 1962, 262,000 accounting transactions, and in 1963 it is expected we will do 276,000, and then up to 290,000 in 1964. This is the big increase that has been absorbed.

Also, on the travel vouchers, we have stepped this up repeatedly. On our personnel servicing we have exceeded old standards by almost 30 percent. The increased volume of production of our field staff has been constantly going up, and the number of personnel that we have has not kept pace.

In relation to what the production is our ratio of positions requested is almost 1 to 3 in every one of these categories we have requested of the committee. I feel, therefore, that we want to invite your consideration to these items, because I think the staff has done well.

(A detailed explanation follows:)

Workload	Fiscal year 1962, actual	Fiscal year 1963, estimate	Fiscal year 1964, estimate
Employees payrolled (annual average).....	19, 208	21, 100	(1)
Personnel action and period step increases.....	34, 560	36, 000	39, 000
Accounting transactions.....	262, 940	276, 000	290, 000
Vouchers audited.....	86, 348	98, 000	109, 000
Purchase orders and requisitions.....	24, 259	28, 000	32, 000
Mail.....	12, 273, 584	12, 644, 000	13, 000, 000
Plates duplicated.....	62, 827	65, 000	68, 000

¹ Centralized.

The production per position in each of the administrative service activities is high, frequently exceeding generally accepted norms. The last recently established Bureau of Budget ratios for personnel and payroll clerks to positions they serve were:

Personnel: 1 clerk to 110 positions.

Payroll: 1 clerk to 250 positions.

Regional office actual and estimated performance ratios for these two classes of activities for 3 successive years are as follows:

	Fiscal year 1962 actual	Fiscal year 1963 estimate	Fiscal year 1964 estimate
Personnel.....	152-1	160-1	157-1
Payroll.....	293-1	311-1	(1)

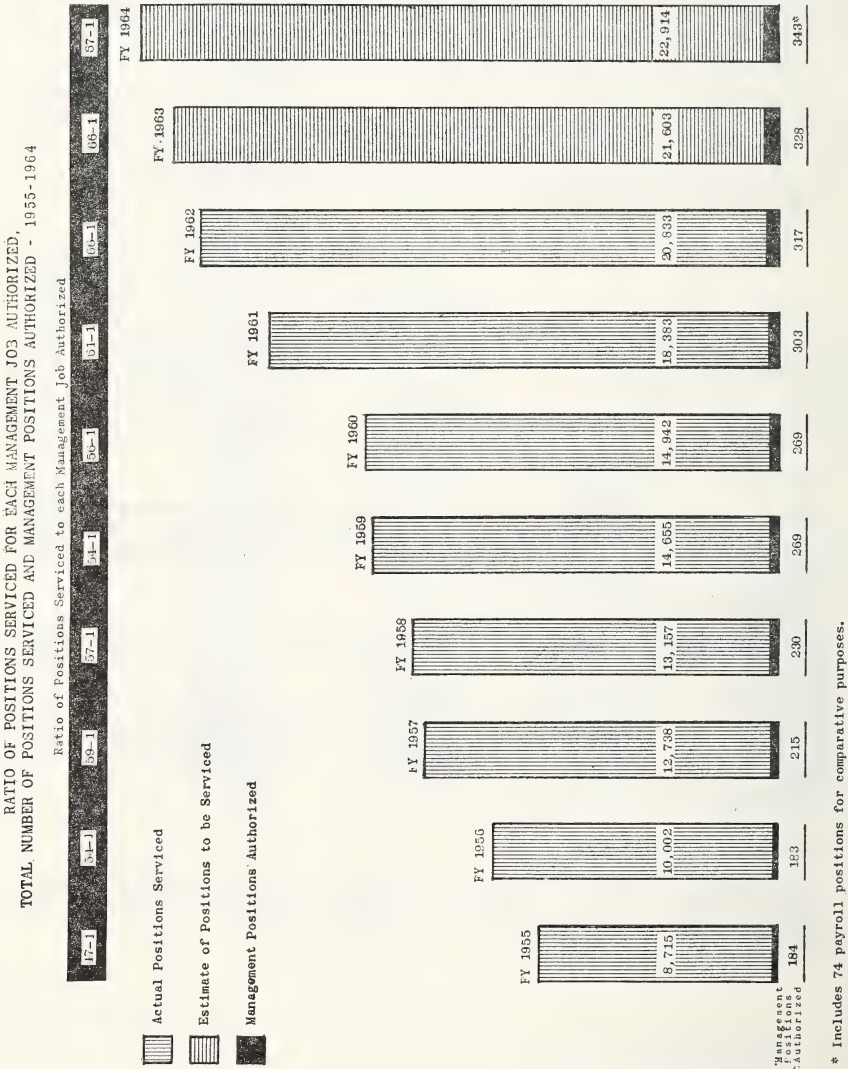
¹ Centralized.

Performance of more work per administrative service employee is accomplished through maximum utilization of staff, overtime when necessary, and constant attention to the flow and distribution of work.

Staffing, by regional office function

The 363 positions requested to perform the necessary function in the regional offices under the current estimate are shown in the following table with comparable figures for the 2 preceding years.

	Fiscal year 1962 actual	Fiscal year 1963 estimate	Fiscal year 1964 estimate
Office of the regional director.....	36	36	46
Personnel section.....	98	105	105
Financial management section.....	137	141	124
Office services section.....	82	82	88
Total.....	353	364	363



Mr. FOGARTY. Thank you, Mr. Lund.

SURPLUS PROPERTY UTILIZATION

WITNESSES

CHESTER B. LUND, DIRECTOR, OFFICE OF FIELD ADMINISTRATION
MORTON R. SMALL, FINANCIAL MANAGEMENT OFFICER
JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	679	723	771
Other personnel compensation.....			6
Total personnel compensation.....	679	723	777
12 Personnel benefits.....	50	53	57
21 Travel and transportation of persons.....	59	71	71
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	23	26	27
24 Printing and reproduction.....	4	5	5
25 Other services.....	4	2	4
26 Supplies and materials.....	7	8	8
31 Equipment.....	12		
42 Insurance claims and indemnities.....		2	
Total obligations.....	839	891	950

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	104	104	101
Average number of all employees.....	98	95	96
Number of employees at end of year.....	100	93	93
Average GS grade.....	7.9	8.1	8.1
Average GS salary.....	\$6,968	\$7,523	\$7,730

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Surplus property utilization (program costs, funded).....	838	895	950
Change in selected resources ¹	1	-4	
Total obligations.....	839	891	950
Financing: Unobligated balance lapsing.....	23		
New obligational authority.....	862	891	950
New obligational authority:			
Appropriation.....	862	870	950
Proposed supplemental due to pay increases.....		21	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$10,000 (1962 adjustments, -\$1,000); 1962, \$10,000; 1963, \$6,000; 1964, \$6,000.

GENERAL STATEMENT

Mr. FOGARTY. Do you have a statement on surplus property?

Mr. LUND. Yes, sir.

Mr. FOGARTY. We will put the more lengthy one in the record. You may summarize that.

Mr. LUND. All right.

(The statement follows:)

GENERAL

Mr. Chairman and members of the committee, in fiscal year 1964 we shall require 101 positions at a cost of \$950,000 to discharge our responsibilities for the surplus property program.

We are charged with—

- (1) Allocating personal property to States for distribution to eligible health, education, and civil defense organizations;
- (2) Transferring real property to health and educational institutions;
- (3) Assuring compliance with conditions of donation and transfers.

ACCOMPLISHMENTS

During fiscal year 1962, over \$380 million in acquisition of personal property was allocated to States and approximately \$60 million of real property transferred to institutions. Approximately, \$1.5 million was deposited in the Treasury as a result of sales, abrogations, and compliance activities.

Personal property allocations were \$4 million higher and real property transfers \$30 million higher than the previous year. To accomplish this, we processed 73,000 State applications for allocations and 297 new real property transfers. Although the number of State applications were 4 percent lower than the previous year, the number of real property transfers increased by 19 percent. In carrying out our compliance responsibilities related to real property transfers, we performed about 213 physical onsite surveys which represented one-third of our requirements for onsite surveys. During fiscal year 1962, we increased our onsite cases by 78 for a new active total of 666.

In our standards and review activity, we assisted States in revising their plan of operations, due to deficiencies noted during reviews and audits.

ANTICIPATED ACCOMPLISHMENTS

In fiscal years 1963 and 1964, our personal property allocations and real property transfers are estimated at \$345 million and \$50 million, respectively. The decrease in the dollar value of personal property is primarily due to the fact that the availability of common use day-to-day items is decreasing. The decrease is offset in part by the increasing availability of electronic and specialized equipment. This change in the composition of the property creates new problems. For example, the lists are longer and descriptions more extensive. A completely new approach in our screening program was required to meet this change. We are now emphasizing better screening of all sources, for all States, and the educating of State personnel and donees in the many secondary uses that can be made of this property. The direct efforts of three screening specialists authorized in fiscal year 1962 resulted in \$15 million worth of property being channeled into this program last year which otherwise would have been lost to health and educational institutions.

In our real-property activity, we are anticipating a slight decrease. However, this is still more than we had transferred in prior years and is based on Department of Defense plans for closing military bases throughout the country. Our standards and review workload will continue to be heavy and our cash collections will be about \$500,000 in fiscal years 1963 and 1964.

INCREASED REQUIREMENTS

We are requesting an increase of \$59,000 and no additional positions. The \$59,000 is primarily to meet the increased pay costs for existing staff and to increase our man-year availability.

The funds requested to increase our man-year availability are essential if we are to meet our anticipated accomplishments. Our man-year availability reached a point where it was necessary to abolish three positions in fiscal year 1962 and force other positions to remain vacant for abnormal periods of time.

The situation for fiscal years 1963 and 1964 will not improve. An analysis of the turnover during fiscal year 1962 indicated that we had 37 vacancies occurring. Assuming we have this same experience in fiscal year 1964, it would be necessary to keep these positions vacant for about 3½ months. To continue under these circumstances can only lead to backlogs, delays in reporting, loss of available properties, demoralization of personnel, and unfavorable relationships withholding agencies and State surplus property agencies. This request will enable us to fill these vacancies after a more reasonable lapse of time.

Mr. LUND. This request is for \$950,000 and 101 positions. It represents an increase of \$59,000 over 1963 but no additional positions.

PROPERTY ALLOCATIONS AND TRANSFERS

This program is responsible for locating and allocating personal property and transferring real property which is surplus to the needs of the Government.

In fiscal year 1962 based on acquisition costs, over \$380 million worth of personal property was allocated to eligible health, education, and civil defense units, and approximately \$60 million worth of real property was transferred directly to eligible health and educational institutions. Collections for sales, abrogations, and compliance activities were approximately \$1.5 million.

We are anticipating \$345 million worth of personal property allocations and the transfer of \$50 million worth of real property in fiscal years 1963 and 1964. The decrease in availability of common-use day-to-day items of personal property is the primary factor in the decrease in dollar value. There is, however, an increasing availability of electronic and specialized equipment which creates additional and different problems. We are emphasizing better screening of all sources for all States, and the educating of State personnel and donees in the many secondary uses that can be made of this type of property.

The increase of \$59,000 is primarily to finance the increased pay costs and increase our man-year availability.

POSITIONS KEPT VACANT TO ABSORB PAY ACT COSTS

Insufficient funds have forced us to keep positions vacant for long periods of time and some positions have been abolished because of this situation. If these circumstances continue, backlogs will increase; available properties will be lost; there will be delays in reporting; and unfavorable relationships will develop between holding agencies and State surplus property agencies. Favorable consideration of this request will enable us to fill vacancies sooner, thereby improving our ability to meet our program responsibilities.

Mr. FOGARTY. I was under the impression that we always gave you just about what you asked for in recent years.

Mr. LUND. Yes, sir.

Mr. FOGARTY. We have always felt it was a good program and this appropriation results in taking in more than we were spending.

Mr. LUND. You always have.

One of our problems has been not with the committee, but rather we have an overall allocation of funds for an operation and one has to give his best administrative judgment as to how it is to be distributed. The committee has granted us everything we have asked for as far as I recall for the past 3 or 4 years.

BUDGET REQUEST FOR 1964

Mr. FOGARTY. The appropriation for 1963 is \$891,000, and the request for 1964 is \$950,000, an increase of \$59,000, most of which is for mandatory costs. There is a decrease of three positions, but an increase of one in average employment. How do you explain that?

Mr. LUND. Well, the three percent relates to our effort to absorb pay increases and—I did not get the last part of your question.

Mr. FOGARTY. Well, you show a decrease of three positions, but an increase of one in average employment.

I would think if we were making money on this program, the Department would not make you absorb any pay increases. This does not make sense to me. You were told what to do in this area, I suppose?

Mr. LUND. We were caught in this situation. We were asked to make every effort possible to absorb a 3-percent reduction for pay increase. Upon making an analysis of our total situation, we felt that it was essential that people be paid, that the travel vouchers be paid, that other units of operation be carried on.

The only place we felt we could absorb part of the pay increase was in this area. This was because there was a change going on in surplus property, common-use items were going down, and electronic equipment and other specialized equipment were coming into existence. We, not being sure of the total source of this, decided at the time that it would be better to risk a small reduction in this program than in any other. It was purely an administrative determination.

COMPLIANCE ACTIVITIES

Mr. FOGARTY. On page 103 you say "a number of deficiencies have been identified through recent surveys and audits"; tell us what these are and what you have done about them.

Mr. LUND. Well, one of the problems that relates to this is a matter of the State agencies in assessing charges to donees for property handled by them. We have been working with them trying to get the costs down for the schools so the schools would not have to pay too much for this property.

One of the other things that we have run into are some rather unsatisfactory situations in handling by the States of certain types of properties. One State where they were allocating material, equipment to ineligibles, has cost us some money to go in, make a review and survey, withdraw the property and have it available to eligible donees.

Mr. FOGARTY. Have there been any significant developments in connection with the compliance program during the past year that you would like to talk about?

Mr. LUND. We have tried to follow through. We have not done a complete compliance job of the \$2,500 items in personal property. In real property we have checked roughly a third of the 666 cases.

The reason we have not done them all each year is we do not think it necessary. This, therefore, saves manpower.

Take for example a schoolhouse in a particular location. If that school is there we are pretty sure it is going to remain there, so we have reduced our compliance in this type situation.

Also, we have asked the States to come in and give us more assistance and are holding them responsible for doing some of the compliance work on large items over \$2,500 and reporting them back to us.

We have not done a complete job, but that is intentional, knowingly, and I do not think it is necessary that we follow every item.

PERSONAL PROPERTY ALLOCATIONS AND REAL PROPERTY TRANSFERS

Mr. FOGARTY. We will place the tables and charts on pages 106 through 109 in the record.

(The information follows:)

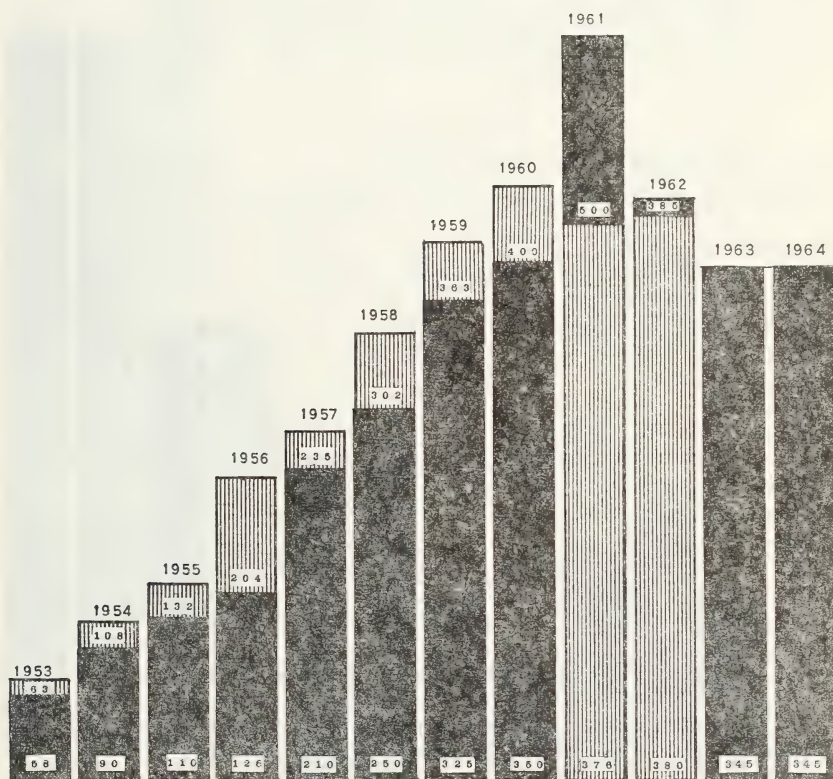
Personal property made available to and received by State agencies for surplus property for distribution to public health and educational institutions and civil defense organizations and real property disposed of to public health and educational institutions (acquisition cost) fiscal year 1962

States	Personal property allocated to State agency	Personal property received by State agency for distribution within State	Real property disposed of to institutions in State	Total property transferred
	(1)	(2)	(3)	(2+3)
Totals.....	\$380,172,407	\$316,031,693	\$59,557,533	\$375,589,226
Alabama.....	12,166,954	9,910,782	104,000	10,014,782
Alaska.....	407,032	380,108	5,195	385,303
Arizona.....	3,074,511	2,900,330	229,994	3,130,324
Arkansas.....	2,816,631	3,047,058	159,823	3,206,881
California.....	50,486,538	46,347,249	8,066,381	54,413,630
Colorado.....	6,142,964	5,599,016	76,167	5,675,183
Connecticut.....	7,107,159	5,029,605	-----	5,029,605
Delaware.....	1,059,755	862,575	-----	862,575
Florida.....	16,614,775	11,540,030	9,719,524	21,259,554
Georgia.....	12,356,019	10,198,399	1,420,167	11,618,566
Hawaii.....	1,739,088	940,631	102,359	1,042,981
Idaho.....	1,371,364	1,046,946	60,259	1,107,196
Illinois.....	12,325,089	8,636,563	3,825	8,640,388
Indiana.....	6,622,461	5,382,874	5,616	5,388,490
Iowa.....	2,367,875	2,120,041	8,035	2,128,076
Kansas.....	3,168,954	2,523,494	39,010	2,562,504
Kentucky.....	4,464,111	3,608,682	1,624,102	5,232,784
Louisiana.....	4,071,561	3,419,325	831,773	4,251,098
Maine.....	3,067,912	2,344,090	3,218,575	5,562,665
Maryland.....	6,399,006	5,710,995	15,868	5,726,863
Massachusetts.....	18,575,113	15,900,702	612,991	16,513,693
Michigan.....	13,631,409	9,991,738	41,367	10,033,105
Minnesota.....	5,159,646	3,929,566	2,142,746	6,072,312
Mississippi.....	8,487,121	7,748,216	193,214	7,941,430
Missouri.....	4,682,009	4,088,294	1,892,842	5,981,136
Montana.....	877,090	762,409	-----	762,409
Nebraska.....	2,889,448	2,054,316	4,746,754	6,801,070
Nevada.....	743,432	644,716	132,259	776,975
New Hampshire.....	1,051,719	869,201	-----	869,201
New Jersey.....	4,234,095	3,280,829	-----	3,280,829
New Mexico.....	2,101,305	1,645,692	193,960	1,839,652
New York.....	23,181,031	16,887,529	228,759	17,116,288
North Carolina.....	9,627,331	9,107,764	-----	9,107,764
North Dakota.....	900,656	915,452	117,557	1,033,009
Ohio.....	14,036,136	12,857,342	119,158	12,976,500
Oklahoma.....	5,312,974	4,527,983	292,779	4,820,762
Oregon.....	4,480,919	3,476,228	7,550	3,483,778
Pennsylvania.....	20,839,035	15,037,315	236,451	15,273,766
Rhode Island.....	2,949,721	2,861,272	-----	2,861,272
South Carolina.....	7,536,575	3,481,953	66,527	3,548,480
South Dakota.....	842,084	885,016	102,623	987,639
Tennessee.....	8,647,879	7,696,673	1,447,041	9,143,714
Texas.....	17,370,692	15,731,681	16,585,742	32,317,423
Utah.....	4,508,282	3,679,110	344,150	4,023,260
Vermont.....	2,678,802	2,819,518	-----	2,819,518
Virginia.....	14,528,258	13,721,959	231,256	13,953,215
Washington.....	6,859,577	6,385,951	3,513,806	9,899,757
West Virginia.....	3,985,968	2,969,022	-----	2,969,022
Wisconsin.....	7,116,775	7,519,933	214,431	7,534,364
Wyoming.....	923,509	734,454	38,765	773,219
District of Columbia.....	1,334,015	803,456	-----	803,456
Puerto Rico.....	2,250,651	1,667,610	364,150	2,031,760
Virgin Islands.....	4,400	-----	-----	-----

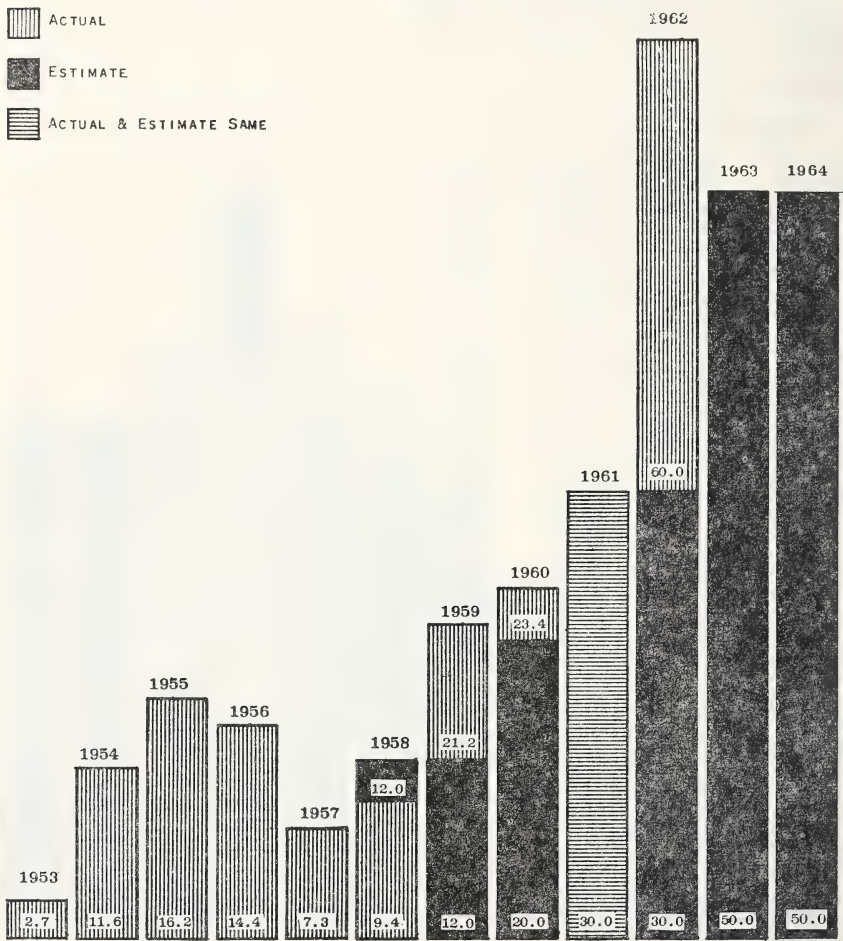
PERSONAL PROPERTY ALLOCATIONS
 FY 1953 - FY 1964
(In Millions of Dollars at Acquisition Cost)

ACTUAL

ESTIMATE



REAL PROPERTY TRANSFERS
FY 1953 - FY 1964
(In Millions of Dollars at Acquisition Cost)



Mr. FOGARTY. Mr. Denton.

CASH COLLECTIONS

Mr. DENTON. In that connection I think we had better put something on cash collections in the record, too.

Mr. LUND. We will be glad to submit a statement.

(The information follows:)

CASH COLLECTION

In the operation of this program, funds are collected from sales, transfers when the public benefit allowance entitlement is less than 100 percent, abrogation of restrictions, various compliance actions, reimbursement of out-of-pocket expenses incurred in connection with conveyances and interim rentals of properties conveyed. As a result of these activities \$1,490,804 was collected in fiscal year 1962. During fiscal years 1963 and 1964, it is expected that approximately \$500,000 will be collected and deposited into the Treasury. It is significant to note that during the period 1950 through 1962, \$9,273,000 has been collected through this program. The total funds appropriated during the same period has been \$5,842,300 or 63 percent of the amount collected.

WELFARE AUDITS

Mr. DENTON. Now, to come back to grant-in-aid audits, when you make an audit of moneys spent for welfare just what do you do? What kind of check do you make?

Mr. LUND. Sir, it depends on the program. If it is public assistance, under the new welfare act we have to do a fairly thorough job.

Mr. DENTON. Let's take it all. Take old-age assistance, aid to dependent children, total and permanent disability, medical care, and what is the other—

Mr. KELLY. Aid to the blind.

Mr. DENTON. Aid to the blind, yes.

Mr. LUND. What would we do for example in the welfare program? Under the new amendments, as you know, our new provisions set up new matching formulas. Previous to these new amendments we would go in and we would audit it against a 50-50 maximum for administrative costs.

We are not responsible for eligibility auditing in the fiscal audit. Now, when we go in because there are provisions that if the States provide certain social and rehabilitating services, get people off the assistance roll—for example, where a caseworker has 80-odd cases and she is servicing these cases in order to reduce assistance payments by the States by rehabilitating them for private employment—they are allowed 75 percent Federal reimbursement.

So now the audit becomes more personalized and we have to look at almost every single case to get the facts as to whether we have a 50 or 75 percent administrative cost.

REMOVING PEOPLE FROM WELFARE ROLLS

Mr. DENTON. How successful have they been in getting the people off of the welfare rolls?

Mr. LUND. Well, now, that I do not have all the information on. I could check that for you.

Mr. DENTON. Could you give us any idea how many people have gotten off the welfare rolls because of this check of yours to determine if the States should get 75 percent instead of 50 percent?

Mr. LUND. They are really in the middle of that analysis and I don't think it is expected to be completed for another 2 or 3 months.

Mr. KELLY. Yes.

Mr. DENTON. Is this expected to get a substantial number off of the relief rolls?

Mr. LUND. I think so.

Mr. DENTON. Would you say they have as many as 20 percent off that way?

Mr. LUND. No. To be very frank, I wouldn't dare say because I don't know, but I would be glad to check.

Mr. DENTON. How could we make appropriations to this agency unless we know that?

Mr. LUND. Well, you have so many cases on the rolls and my assumption is—

Mr. DENTON. But a substantial number have been taken off?

Mr. LUND. That is probably right.

Mr. DENTON. So some State could get 75 percent in one case and 50 percent in another and we have no way of knowing how many that number is in each category, do we?

Mr. LUND. I do not know either at this juncture, sir.

Mr. DENTON. You have not given us much help on this question.

DUTIES OF AUDITORS

Mr. LUND. I think it really comes under another unit.

You see, the audit here is a fiscal audit for legal expenditure. To do that about which you are inquiring would require a specialized review and investigation on the part of the new family services program. It really does not come under my jurisdiction. I do not have the answer.

Mr. DENTON. Of course I think you are in a much better position to make that investigation than they are. You cannot determine whether everything is well just by looking at the record; you have to make some outside checks, do you not?

Mr. LUND. Yes, sir.

Mr. DENTON. And you said you did not check to see about the eligibility?

Mr. LUND. Yes, sir; we do not check eligibility.

Mr. DENTON. There are different standards in different States.

For instance, our State would not grant aid if elderly persons have children that could help and others don't have this criteria. Some States have a lien law in welfare grants; others do not. But I think you ought to determine whether the money was spent for welfare purposes within the law. Certainly you would not let them run a railroad with Federal grants for welfare.

Mr. LUND. No.

Mr. DENTON. If they were giving money to somebody who is not entitled to it, I do not think you make a complete audit unless you check that.

Mr. LUND. May I just give you an illustration off the record?

Mr. DENTON. Yes.

(Discussion off the record.)

Mr. DENTON. You know what happened in the District of Columbia?

Mr. LUND. Yes, sir.

DETERMINATION OF FEDERAL MATCHING PERCENTAGE

Mr. DENTON. Let me ask you, you gave us a State in which you said that 100 percent were drawing 75 percent administrative costs because they claimed to be rehabilitating people and taking them off of the welfare rolls, but you made a check and found only 50 percent were in the 75-percent category for taking people off the welfare rolls.

So we can find out how much had been saved on this program by rehabilitating people, could you tell us how many people had been taken off a roll in that particular State?

Mr. LUND. No, I could not.

Mr. KELLY. May I say, I think there is a need for a clarification on this 75 or 50 percent as to whether or not it means taken off of the rolls.

The Welfare Amendments of 1962 authorized the State to receive matching from the Federal Government on the basis of 75-25 when it is providing a service to public assistance recipients as distinguished from just administering the acts, that is, administrative costs on which they are entitled to 50-percent matching, such things as—

Mr. DENTON. Of course I understand that, Mr. Kelly.

Mr. KELLY. If they are doing rehabilitation work, they should. But I want to make it clear that you could be spending on a basis that required 75-percent matching from the Federal Government and it does not result in a person being removed from the rolls, but results in the provision of social services other than straight administrative expenses.

What Mr. Lund was talking about is that there has not yet been adequate policy and adequate clarity as to what constitutes a social service and a rehabilitation service versus what constitutes administration. Therefore some of the States have claimed a matching on the basis of 75 percent when it was found that it did not meet the requirements of the law.

REMOVING PEOPLE FROM WELFARE ROLLS

Mr. DENTON. Mr. Kelly, unless we knew something about what had been done and how many people had been rehabilitated and taken off the rolls, how could we intelligently make appropriations?

Mr. KELLY. All we can say now is that the enactment of the 1962 amendments is so recent and the development of policy and procedure and the application of these are so recent that we are unable to give you any experience or results. When it was enacted and when we requested funds last year, I think we indicated to you that we would not be able to produce results this rapidly on the program.

Mr. DENTON. In setting up the figure, you did not take into account how many people would be rehabilitated under this program so they would not be under welfare?

Mr. KELLY. We anticipated a continuation of the rehabilitation under the Office of Vocational Rehabilitation program. We did not predict any significant number of reductions because of the additional service this early.

Mr. DENTON. It looks to me like the Government is getting the worst of that. The Government is paying 75 percent of the administrative costs and we are not getting any people off of the relief rolls. That was not the way it was explained to us a year ago.

Mr. KELLY. We hope that it will result in reductions, but we are unable to give you the results of this activity yet or predict with any high degree of accuracy how effective it will be during this next 12-month period.

Mr. DENTON. On your check, Mr. Lund, has this been successful in taking people off of the welfare rolls?

Mr. KELLY. Well, the study is not yet complete, as I understand it. I am sure that it will be, but we cannot give any facts or figures at this time.

Mr. DENTON. When will that study be completed?

Mr. LUND. I am sorry, I do not remember when that is due.

Mr. KELLY. Well, the study that the Senate requested, we will have completed all of the data collection in May and we hope to have the report early this summer.

But may I say, Mr. Lund's audits have not yet reached a point of currency where he is auditing any significant amount of expenditures that occurred under the 1962 amendments.

Mr. LUND. That is right.

Mr. KELLY. The current audits involve expenditures that occurred in a prior period, so that he does not as yet have the results of the 1962 amendments.

Mr. DENTON. I would think if you are taking people off the welfare rolls in 1962, the same people will be off in 1963 and 1964.

Mr. KELLY. They would, indeed.

I want to point out the grant-in-aid audit program does not audit on a sufficiently current basis that they can tell you what last month's transactions were.

Mr. DENTON. Mr. Kelly, as a lawyer, I think you will have to agree with me on this particular item, you have not made much of a case.

Off the record.

(Discussion off the record.)

SCOPE OF AUDIT

Mr. LUND. I think, sir, too, one distinction, the Bureau of Family Services is making a study of eligibility and the facts and figures will be available to you. We audit as to the fiscal accountability part to see whether the money is spent in accordance with the grant allocations made by your committee.

Mr. DENTON. I appreciate that, but to make a complete audit, you do have to make an outside check to make sure the money is used for the purposes of the program.

Mr. LUND. Yes, sir.

Mr. DENTON. If you had made the check in the District of Columbia to be sure the money was being used for the purpose for which it is appropriated, your agency would have found a great deal of fraud there; would it not?

Mr. LUND. Again may I try to distinguish, we were not held responsible——

Mr. DENTON. I am not saying you are responsible for making that kind of a check, but if you had made that kind of check——

Mr. LUND. Yes, sir; I assume we could not have found otherwise.

Mr. DENTON. I am sure over the country they have found a number of other cases like that.

Mr. LUND. Yes, sir.

Mr. DENTON. If you had made that kind of check, you would have shown a great deal of fraud there, too.

Mr. LUND. At least we would have found ineligible.

Mr. DENTON. I mean people who are making claims who are not eligible, who are making fraudulent claims.

Mr. LUND. Yes, sir. I assume that if we would have the responsibility of checking eligibility, in light of the facts revealed, we could not find otherwise.

Mr. DENTON. Was anything said to you about making this check of the welfare funds?

Mr. LUND. No. That does not come under our delegation of authority, and we do not perform that service. Ours is a fiscal audit.

COOPERATION WITH GENERAL ACCOUNTING OFFICE

Mr. DENTON. How do you work with the General Accounting Office?

Mr. LUND. The General Accounting Office reviews, goes into States, they check on us and recheck periodically.

Mr. DENTON. You both do the same thing?

Mr. LUND. No. I would say to a degree there is a very limited duplication. They go in and check on us to see whether we are performing the functions that we say we are performing.

Mr. KELLY. They hold us basically responsible for conduct of the audits.

Mr. DENTON. Now, on what you could do; could you make an audit of the welfare funds so the conditions like we saw in the District of Columbia could not happen again? If you had sufficient help?

Mr. LUND. If we were going to do a total audit of all of these cases, it would take a tremendous staff.

Mr. DENTON. Well, you do not expect to spot check?

Mr. LUND. But the determination has been made administratively that this is not the function of the grants-in-aid audit unit and the eligibility part of this is the function of the operating agencies. We would have to deduce that any group of experienced auditors who would go in——

REVIEW OF ELIGIBILITY OF RECIPIENTS

Mr. DENTON. Does any Government agency pass on the eligibility of these people?

Mr. LUND. Yes, sir.

Mr. KELLY. Yes, sir.

Mr. DENTON. Which ones?

Mr. KELLY. The Bureau of Family Services has a responsibility for making an administrative review and one of the key characteristics of that administrative review is to take a group of cases out of the files and make a determination that the States——

Mr. DENTON. They have never done that up to now.

Mr. KELLY. Yes, they have.

Mr. DENTON. They did not find much?

Mr. KELLY. In each case where they have found some ineligibles and reasons for the ineligibilities, they have arranged to take corrective action.

Now, they have not done what is now being done, both in the District of Columbia and in the survey that is being made in all of the States; they have not done the kind of home visits, surprise home visits that are involved, and they have not gone behind the record to anywhere near the degree which they are now doing in this survey that is being made.

Mr. DENTON. I take it, Mr. Kelly, up to now no Government official has made that kind of survey.

Mr. KELLY. It certainly has not been contemplated that they go behind the record to any degree.

Mr. DENTON. It is not surprising what we are finding in the District of Columbia is turning up.

Mr. KELLY. It is the view of many—and we won't know until this is finished—that the District of Columbia is nowhere indicative of what the condition across the country is.

(Discussion off the record.)

Mr. LUND. We find some cases in our audit where exception is taken to the State's claim and the funds are replaced.

Mr. DENTON. I do not like to see somebody auditing their own books or checking their own records. I think an outside agency ought to do it. It seems a check of this kind ought to be made by your agency or Mr. Kelly, or the General Accounting Office, if we are going to prevent conditions happening like happened in the District of Columbia.

Mr. LUND. When this program was small years ago, you will recall the audit staff made an eligibility review.

Then there was an administrative determination made years later that it was not essential that this be done, to which none of us around the table were a party.

Mr. FOGARTY. Is there anything else you would like to say, Mr. Lund?

Mr. LUND. Yes; I would like to express my appreciation to the committee for their courtesies, and I would like to introduce Mr. Small here who took Mr. Pilzys' place.

Mr. FOGARTY. Well, we think you have done your usual good job and we think you are the right person for the job, Mr. Lund.

Mr. LUND. We appreciate that very much.

Mr. FOGARTY. Thank you very much.

OFFICE OF THE GENERAL COUNSEL

WITNESSES

ALANSON W. WILLCOX, GENERAL COUNSEL
 HAROLD W. HOROWITZ, ASSOCIATE GENERAL COUNSEL
 MISS MARY MOULTON, ADMINISTRATIVE OFFICER
 JOSEPH L. PREISSIG, BUDGET EXAMINER, OFFICE OF THE SECRETARY
 JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions.....	1,224	1,393	1,686
Other personnel compensation.....			14
Total personnel compensation.....	1,224	1,393	1,700
12 Personnel benefits.....	88	109	134
21 Travel and transportation of persons.....	17	21	22
23 Rent, communications, and utilities.....	10	9	23
24 Printing and reproduction.....	3	1	4
25 Other services.....	5	5	11
26 Supplies and material.....	11	10	12
31 Equipment.....	22	17	48
Total obligations.....	1,380	1,564	1,955

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions.....	173	193	214
Average number of all employees.....	160	176	196
Number of employees at end of year.....	156	188	199
Average GS grade.....	9.1	9.3	9.4
Average GS salary.....	\$7,819	\$8,255	\$8,357

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Supervisory and general legal services.....	306	324	415
2. Departmental program activities:			
(a) Public health.....	105	128	171
(b) Food and drug.....	165	218	320
(c) Old-age and survivors insurance.....	187	279	307
(d) Welfare and education.....	139	148	190
3. Regional and field.....	472	466	552
Total program costs, funded.....	1,374	1,564	1,955
Change in selected resources ¹	6		
Total obligations.....	1,380	1,564	1,955
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation act) (—):			
Federal old-age and survivors insurance trust fund.....	—667	—696	—871
Proposed increase in limitation due to pay increases.....		—15	
Food and Drug Administration certification, inspection, and other services.....	—29	—29	—29
Unobligated balance lapsing.....	29		
New obligational authority.....	713	824	1,055
New obligational authority:			
Appropriation.....	713	813	1,055
Transfer to "Operating expenses, Public Buildings Service" General Services Administration (76 Stat. 728) (—).....		—9	
Appropriation (adjusted).....	713	804	1,055
Proposed supplemental due to pay increase.....		20	

¹ Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, \$3,000 (1962 adjustments, —\$3,000); 1962, \$6,000; 1963, \$6,000; 1964, \$6,000.

GENERAL STATEMENT

Mr. FOGARTY. Will you file your complete statement, Mr. Willcox, and you may summarize it for the committee.

(The statement follows:)

Mr. Chairman and members of the committee, the Office of the General Counsel is responsible for the legal work of the Department. The work of the Office includes (1) legal advice to the Secretary, the Surgeon General of the Public Health Service, the Commissioners of Education, Food and Drugs, Social Security, Vocational Rehabilitation, and Welfare, and their staffs; (2) legislation (reports to Congress and legislative drafting); and (3) litigation arising from program activities.

The continuing growth of the programs administered by the Department increases proportionately the responsibilities of the Office of the General Counsel. Staff increases for fiscal year 1964 are requested to enable the Office of the General Counsel to provide additional legal services in areas within the Department where program growth requires it.

BUDGET REQUEST OF 1964

The 1964 budget estimate requests a total of \$1,955,000, which provides an increase of \$391,000 over 1963 obligational authority, primarily covering the pay increase, annualization of positions previously authorized, and 13 attorney positions and 8 secretarial positions distributed as follows: one attorney for the Legislation Division, two attorneys and one secretary for the Business and Administrative Law Division, two attorneys for the Public Health Division, four attorneys and four secretaries for the Food and Drug Division, two attorneys and one secretary for the Welfare and Education Division, and two attorneys and two secretaries for the regional offices.

A. Legislation Division

The reporting workload of this Division continues at the very high level of recent years. Out of 1,355 requests for reports received on 87th Congress bills, the preparation or review of only 655 reports (covering 872 of these requests) was finally completed. Many requests became moot before they could be reached, and when the 87th Congress adjourned there was a backlog in the Division of 74 reports (covering 92 active requests). Thirty-nine departmental draft bills were prepared, and much incidental drafting work performed. Overtime, weekend, and holiday work on the part of the professional staff has been extensive.

An increase of one attorney is requested.

B. Business and Administrative Law Division

This Division provides all legal service in connection with the management and operation of the Department. It provides legal service in such areas as contract negotiation and preparation, fiscal matters, patents, travel, pay and allowances, procurement, property management, personnel management and administration, tort claims, departmental security matters, and other departmental management activities. Its workload has increased steadily as the activities and programs of the Department have increased during the past several years, resulting in serious backlogs. In addition, the Division must now carry a heavy workload in the day-to-day administration of policies relating to conflicts of interest.

An increase of two attorneys and one secretary is requested.

C. Public Health Division

The Public Health Division provides all legal service to the research, medical care, grant, community health, environmental health, Indian health, biologics control, quarantine, and other programs of the Public Health Service, and to St. Elizabeths Hospital. One additional attorney is needed for the Bureau of Medical Services, both because of continuing need for additional legal service in the Indian health program and because of responsibilities under Public Law 87-693 to enforce third-party liabilities for the value of hospital and medical services to Public Health Service beneficiaries. This collection program as it matures will yield substantial revenue to the Government, but only if adequate legal service can be provided. An additional attorney position is requested in the areas of water pollution control enforcement proceedings, and the National Institutes of Health where continuing growth of program activities has increased the need for legal services.

An increase of two attorneys is requested.

D. Food and Drug Division

This Division provides legal service in the enforcement of the Federal Food, Drug, and Cosmetic Act and five related laws. This work consists chiefly of the preparation of litigation in Federal courts, and the development of regulations.

The food and drug program involves a very large volume of litigation in the Federal courts (at present, some 150 contested cases (50 of which went through full trial; a few of which involved 2 weeks of trial) and 1,495 uncontested cases a year), and also the promulgation of many regulations of great impact upon affected industry and the public, and of ever growing complexity. The workload resulting from the Food Additives Amendment of 1958, the Color Additive Amendments of 1960, and the Federal Hazardous Substances Labeling Act of 1960 is felt increasingly year by year. Adequate legal services are as essential to the program as are inspectors, chemists, physicians, pharmacologists, and other needed skills. Without adequate growth in legal staff a mounting backlog of cases can be contemplated, urgently needed regulations cannot be prepared, and the efficient enforcement and administration of the law will not be possible.

The 87th Congress enacted the Drug Amendments of 1962. These amendments made far-reaching changes in the drug provisions of the act. These changes have already required, and will continue to require, extensive legal services in carrying out provisions of the statute regarding new drug procedures, requirements that drugs be proved to be effective as well as safe, required reporting of clinical experience, and investigational use of new drugs. Other provisions of the amendments relate to quality controls in drug manufacture, certification of antibiotics, and drug advertising.

An increase of four attorneys and four secretaries is requested.

E. Welfare and Education Division

The Welfare and Education Division provides legal service with respect to the functions of a number of separate operating agencies; Office of Education; Welfare Administration; Vocational Rehabilitation Administration; and the Bureau of Federal Credit Unions in the Social Security Administration. Services are also provided, to the extent of the Department's concern, to Howard University, Gallaudet College, and the American Printing House for the Blind.

In recent years the growth of existing programs and the addition of new programs have required more and more legal service. This need is particularly significant with respect to the Bureau of Family Services. Legal services are provided here in connection with the four categorical public assistance programs, including the medical assistance program for the aged, as well as the new combined title XVI. There are more than 200 approved State plans and assistance is furnished to approximately 6 million individuals each month. The administration of these programs raises many legal questions in connection with the approval of State plans under Federal law and day-to-day questions concerning the extent of Federal financial participation in State expenditures. To these continuing activities the Public Welfare Amendments of 1962 have added a tremendous workload. These amendments provide a great number of program improvements and seek, as their primary objective, to prevent and reduce dependency; they involve a thorough recasting of the public assistance programs, and additional legal staff is imperative if the Commissioner of Welfare and the Bureau of Family Services are to be able to give leadership to the public welfare programs under the 1962 amendments and to establish and administer the program from a sound legal basis.

An increase of two attorneys and one secretary is requested:

F. OASI Division

This Division furnishes legal advice for the departmental operation of the OASDI system, including the preparation of regulations and other operational issuances, and acts as a coordinating agency in handling the OASDI litigation which, running at the rate of some 680 cases a year, is now one of the largest litigation loads in the Government.

No increase in this Division is requested.

G. Regional and field

Legal services furnished by regional attorneys correspond, in kind, to those rendered by the departmental legal staff. All programs served by the departmental staff are served also in the field, except the Food and Drug Administration. The greater portion of the workload in each region derives from the OASDI program, which accounts for approximately two-thirds of the total. The recent growth in departmental programs, especially in OASDI litigation, has been reflected in a corresponding increase in the workload of the regional attorneys' offices. These offices share with the OASI Division the function of preparation of materials for briefs in litigated cases arising out of the OASDI program. As this litigation load increases, the regional attorneys' offices are called upon to carry a significant portion of the increase.

An increase of two attorneys and two secretaries is requested. The two attorney positions would be in Atlanta and Charlottesville, which have the heaviest OASDI litigation workload.

Mr. WILLCOX. Thank you, Mr. Chairman.

Mr. Chairman and gentlemen, I am happy to have this opportunity to present our budget request.

The Office of the General Counsel is responsible for the legal work of the Department.

JUSTIFICATION OF NEW POSITIONS

The 1964 budget estimate requests a total of \$1,955,000, which will provide for an increase of \$391,000 over 1963 obligational authority, primarily covering the pay increase, annualization of positions previously authorized, and 13 new attorney positions and 8 new secretarial positions.

One attorney is requested for the Legislation Division, where the workload has continued at the very high level of recent years. Out of 1,355 requests for reports received during the 87th Congress, the preparation or review of only 655 reports (covering 872 of these requests) was finally completed. Legislative drafting assignments have become increasingly onerous, and an inordinate amount of overtime has been required to keep abreast of this high-priority work.

Two attorneys and one secretary are requested for the Business and Administrative Law Division, whose workload has increased steadily, and has produced serious backlogs, as the activities and programs of the Department have increased.

I might say we made a recent check, for a 3-month period, and workload had increased about 35 percent over the previous year.

In addition, recently effective programs relating to conflicts of interest have increased greatly the division's workload.

Two attorneys are requested for the Public Health Division, to enable us to provide legal services in expanded program areas: The enforcement of third-party liability for the costs of medical care provided by the Public Health Service to its beneficiaries, water pollution control enforcement, and the National Institutes of Health.

Four attorneys and four secretaries are requested for the Food and Drug Division; these positions are needed in order to keep pace with the stepped-up activity of the Food and Drug Administration, and to permit effective carrying out of the Drug Amendments of 1962.

Two attorneys and one secretary are requested for the Welfare and Education Division to enable the division to provide increased legal service in connection with the programs administered by the Bureau of Family Services, particularly with respect to the great increase in workload stemming from the enactment of the Public Welfare Amendments of 1962.

Two attorneys and two secretaries are requested for the regional offices in which the OASDI litigation workload is heaviest.

Mr. FOGARTY. Thank you.

Including transfers and Pay Act supplemental, there is \$1,564,000 available for 1963, and the request for 1964 is \$1,955,000, an increase of \$391,000 and 21 positions.

BUDGET INCREASES FOR 1964

Now, you received an increase of over 10 percent in personnel for 1963. This increase would exceed 10 percent for 1964, would it not?

Mr. WILLCOX. Yes.

Mr. FOGARTY. Would that mean about a 25-percent increase in 2 years?

Mr. WILLCOX. Approximately that, I think.

Mr. FOGARTY. Tell us why this is necessary.

Mr. WILLCOX. The legal staff of our Department is one of the smaller ones in the Government. I am not trying to make a specific comparison, but—

Mr. FOGARTY. I do not know how you are able to get the people for the salaries that you pay.

Mr. WILLCOX. That is sometimes a problem, too, sir.

I really believe that if the legal work of the Department is to be kept up to the level that your subcommittee would want, the increases are necessary.

In the Food and Drug Division, for example, as the enforcement activities, regulative activities are stepping up all the time, as you well know, it reaches a point where legal services become a bottleneck in terms of the enforcement program.

I could illustrate this.

Mr. FOGARTY. That is a good illustration.

Mr. WILLCOX. Our work is all across the board in the Department. It takes a lot of time to give illustrations from every section, but—

WATER POLLUTION ENFORCEMENT

Mr. FOGARTY. Did you mention, in your statement, an increase in positions for the enforcement of the Water Pollution Control Act?

Mr. WILLCOX. Yes. In the environmental health area, we are asking an additional position which would be partly for environmental health.

Mr. FOGARTY. Was it one position?

Mr. WILLCOX. It is a half a position, really.

We have one attorney position in the Public Health Division for this new job of trying to collect third-party liability. As you will remember, Congress passed a law last year that when the beneficiaries of governmental medical service have been, for instance, injured in automobile accidents, we should try to collect the costs. Now, this is going to be a big job of collection. It is just getting under way now.

We ask for one more position to handle that work; actually it is taking more than one man now. And we are asking one other position which will be divided really between the environmental health field and the NIH.

Mr. FOGARTY. But that would be in the enforcement area of water pollution?

Mr. WILLCOX. Yes, sir, and also, Mr. Chairman, in the area of the—there is a lot of advisory legal work in the environmental health field, working with the State and local people concerned.

Mr. FOGARTY. Do you think that is enough?

The only reason I asked, there are some groups who have found fault with the lack of enforcement and others think the Public Health Service is doing a good job through negotiations. Many cases never reach the stage of requiring legal services.

Mr. WILLCOX. Yes. If the enforcement program should develop rapidly toward more court enforcement, we should have to ask you for further help under the legal head.

The mechanism of conference, and so on, we are involved in, but to to a much lesser extent. If it should become an active litigation program, in water pollution, we really would run into a very serious bottleneck in our office as we are now staffed.

Mr. FOGARTY. Do you see any possibility of that?

Mr. WILLCOX. I think it will develop a little more gradually than that, Mr. Chairman. The conference method, as you know, the procedure in the act is a rather long, drawn-out procedure and before you get to court, you have to go through a conference and then a hearing.

So even if there is to be more court litigation, I don't think very much of that would develop this next year in such a program.

JUSTIFICATION OF NEW POSITIONS

Mr. FOGARTY. All right now, except for OASI work, this increase in spread across the board?

Mr. WILLCOX. That is right. It really is in OASI, too, because it is a regional increase we are asking, sir.

Mr. FOGARTY. Would you break these increases down for the record and place in the record a more detailed explanation?

Mr. WILLCOX. All right, sir.

(The explanation follows:)

SUPPLEMENTAL STATEMENT CONCERNING NEED FOR NEW POSITIONS IN OFFICE OF GENERAL COUNSEL

Legislation Division (one attorney requested).—This Department's legislative concerns are probably more numerous and ramified than those of any other agency, both in terms of administration proposals and of bills introduced by the Members of Congress. There is a serious backlog in meeting congressional requests for reports on bills, and drafting work on some administration proposals has had to be delayed. A backlog in drafting and other work essential for congressional hearings, which we cannot permit, has been avoided thus far only at the cost of an unconscionable amount of night and weekend work.

Business and Administrative Law Division (two attorneys, one secretary requested).—A recent check for a 3-month period showed a 35-percent increase in workload over the corresponding period a year earlier. Advice on departmental contracts, including preparation, negotiation, award and administration, now takes about $1\frac{1}{4}$ man-years as compared to three-fourths man-year in 1961. The President's directive has increased conflict-of-interest responsibilities, from the occasional advice formerly required, to the equivalent of one attorney's full time.

Public Health Division (two attorneys requested).—Under P.L. 87-693, when a person, entitled to free medical care by the Public Health Service, is injured under circumstances creating a tort liability upon a third person to pay damages, we are required to recover from the third party the value of the hospital and medical care provided. The congressional intention that this program yield substantial sums can be carried out only with adequate legal service, which experience thus far indicates will call for more than the full time of one attorney.

Both the grant functions of the National Institutes of Health and their enforcement function (re biologicals) need strengthened legal service. So, also, does the environmental health program, immediately as a part of the Department's advisory service to State and local authorities, and later as we reach the hearing and judicial enforcement stages of water pollution control.

Several basic legal studies have had to be postponed, such as the constitutional aspects of detaining (under either Federal or State law) voluntary narcotic patients, pursuant to their agreement, until they are cured.

Food and Drug Division (four attorneys, four secretaries requested).—The present staff is barely able to keep abreast of the present enforcement and regulatory workload in most areas. In the food standards area, however, a serious backlog has developed; consideration of proposed new dietary food regulations is delayed by staff shortage; and we have been unable to tackle badly needed improvement of regulations relating to deceptive packaging.

The effectiveness of increased inspection and scientific staff of the Food and Drug Administration will be largely lost if legal staff is not expanded. The Administration's workload is five times what it was in 1950, while our legal staff is no larger than it was then.

The full impact on our Office of 1958 and 1960 legislation has, because of various transitional provisions, not yet been felt. The 1962 amendments will require a tremendous volume of work, including reassessment of many drugs now on the market as well as drugs under investigation—a task bound to be controversial and productive of litigation.

*Welfare and Education Division (two attorneys, one secretary requested).—*The many administrative units and wide variety of programs served by this division fully absorbed its time before the 1962 welfare amendments projected an extensive recasting of the whole assistance program in the direction of rehabilitation. Three attorneys on the present staff are now trying to carry this load, but even with an inordinate amount of other attorneys' time are unable to keep up with the demands on them.

With 54 jurisdictions and more than 200 plans involved, the problems of transition to the new program are both great and varied. The first stages of implementation by the States of their activities under the program are to take place on a progressive basis between July 1, 1963, and 1967. Imagination and a careful charting of courses at all levels, and constructive development of the applicable legal principles, are essential if the public is to obtain full benefit from the funds spent annually on assistance and services, and if these expenditures are to accord with the intent of Congress. The situation will be more difficult than that in the late 1930's, when six or seven attorneys were assigned to full-time work in the developmental stage of the three relatively simple public assistance titles as originally enacted.

*Regional offices (two attorneys, two secretaries requested).—*The OASDI litigation work has been largely decentralized, in order to facilitate collaboration with U.S. attorneys. As against a projected load of 680 cases a year, new cases are now running at about 70 a month; our present staff cannot handle adequately even the projected load of 680. Delay in handling cases can cause serious hardship in a program designed to meet current living costs, while inadequate briefing can mean payment of unjustified claims.

NONPERSONAL SERVICES INCREASES

Mr. FOGARTY. They are relatively small items, but you have an increase of over 100 percent for "rents, communications, and utilities." You are asking for three times as much for equipment in 1964 as in 1963.

What is the explanation of that?

Mr. WILLCOX. We have run behind on lawbooks, which are budgeted under equipment, and our allowances in these items have not kept up with the increase in cost.

Mr. KELLY. May I take the one on equipment first?

Mr. WILLCOX. All right.

Mr. KELLY. This is a part of the change in plan about which you asked me to make an insert in the record dealing with the departmental library.

The general counsel will now be responsible in his budget for the purchase of the lawbooks in the Washington library.

Mr. FOGARTY. All right. Go ahead.

Mr. WILLCOX. And we have, for instance, very old typewriters that need to be replaced and this type of thing. The \$6,000 item in here we are asking for is a nonrecurring item.

In the rent problem, I would like to ask either Mr. Kelly or Horowitz to answer.

Mr. KELLY. One of the considerations whenever we ask for new positions, because we do not have adequate space, is that we have to ask for the first year's rent. It shows up, percentagewise, as high. It is a nonrecurring item. After the first year, the General Services Administration picks it up.

Mr. PREISSIG. We have an increase in that category of \$14,270; \$11,475 for space and \$2,795 for communications cost related to new positions.

Mr. FOGARTY. Mr. Denton.

ENFORCEMENT OF THIRD PARTY LIABILITY

Mr. DENTON. I just want to ask one question. What is this provision, "the enforcement of third-party liability for the costs of medical care provided by the Public Health Service to its beneficiaries"? What is that?

Mr. WILLCOX. The Public Health Service, Mr. Denton, has medical service to provide to merchant seamen, Indians, and other groups.

Last year Congress enacted a statute which in effect provides whenever the Government gives free medical care to any group of people, that in those cases in which a third party is responsible for the condition of that patient, as for example in an automobile accident for which someone else may have been responsible, the Government should assert a legal claim against that third party to the extent of the cost of the hospital and medical care.

So that in the case of merchant seamen, for example, any merchant seaman who is injured by third party's wrongdoing, we are supposed to try to collect from that third party the cost of the medical service we give to that merchant seaman.

This is a big job. It only went into effect the beginning of this year and——

Mr. DENTON. I can see in the case of the merchant seaman. I think you would have more difficulty than in other cases.

Mr. WILLCOX. Suppose an Indian is injured in an automobile accident and comes to a hospital. We are still responsible if the third party was at fault.

Mr. DENTON. Can you divide an accident up that way?

Mr. WILLCOX. These are some of the problems involved. If the individual is suing, we have what amounts to a lien on his cause of action.

Mr. HOROWITZ, do you want to add to that?

Mr. DENTON. I would think there would be more difficult in dividing up a personal injury case than property damage.

Mr. HOROWITZ. There may be two different causes of action as a result of what this act of Congress does. The United States is given the right to recovery, to prosecute.

Mr. DENTON. Would that right be a subject for action in a State court?

Mr. WILLCOX. There are some problems still unresolved in this legislation, Mr. Denton, I can say.

Mr. DENTON. I can see why you need lawyers.

Mr. WILLCOX. There are about 140-odd thousand hospitalizations in Public Health Service hospitals in a year. We cannot guess what percentage of those will yield third-party claims. Even if it is a small percentage, there will be a lot of claims involved.

Mr. DENTON. That is all.

Mr. FOGARTY. Thank you, Mr. Willcox.

Is there anything else you want to say?

Mr. WILLCOX. No, thank you.

GENERAL PROVISIONS INDIRECT COSTS

Mr. FOGARTY. Mr. Kelly, there have been rumors about some of the universities not being satisfied with the way you are handling this increase in overhead allowed this fiscal year. What are the problems?

I have not had too much mail on it, but I understand there are some complaints.

Mr. KELLY. Yes, Mr. Chairman, there are. You recall you included in the 1963 appropriation act the provision that authorized us to pay 20 percent of indirect costs where heretofore we had only paid 15 percent. In the application of the 15 percent we had continued an old administrative policy of the Public Health Service that we pay just a flat rate. We never measured cost. We paid a flat rate of the total direct cost of 15 percent, except that if a piece of equipment cost more than \$2,500 we excluded the excess over \$2,500 in arriving at the amount. But when we applied 20 percent you included a provision in the conference report that said under no circumstances should we pay more than actual direct cost. And this then kept us from just changing the rate from 15 to 20 percent but required that we adopt cost policies—that we actually measure cost.

On January 18, I issued a tentative cost principle which utilizes Bureau of the Budget Circular A-21 and our interpretation and application of the circular to the Department's programs.

We got a request for a discussion from a group known as the Committee on Governmental Relations of the National Association of College and University Business Officers, in which they took issue with the fact we did not apply the 20 percent to equipment.

We excluded all equipment from the application of the 20 percent on the theory that it was a capital expense to which A-21 did not apply.

As you know, under the Public Health Service rules, we have made the total equipment available to the institutions on the theory that it furthered research, but we did not apply the indirect cost to it. However, after they protested this, we took the matter up with the Secretary and he indicated that inasmuch as the Congress placed a limitation in the Department of Defense Appropriation Act, and in the Independent Offices appropriations as well as our own, that he felt that the Government should treat this uniformly and asked that we explore it with the Bureau of the Budget. Mr. Miles sent a letter to the Bureau of the Budget outlining what we had done, the background of the case, and the Secretary's idea that there be a uniform policy for the whole Government, and asked them to arrive at a decision. We have met with them but we have not yet received a response.

Mr. FOGARTY. The conference committee was very specific last year when the limit was raised to 20 percent in pointing out that this was a limit and, when indirect costs are less, the lesser amount should be allowed. I don't think what you are doing is out of line at all unless you liberalize what you set out to do and end up allowing 20 percent when indirect costs are less than 20 percent. It seems to me that maybe we made a mistake last year and got too liberal. Maybe we ought to go back and—

Mr. DENTON. Make it 15?

Mr. FOGARTY. Yes.

Mr. KELLY. Well, the committee and the universities that are disturbed at the action which we took on this, feel that it was the intent of the Congress to give them an increase of 15 to 20 percent. They feel that the action which we took limited the increase to about 17½ percent rather than giving them the full 20 percent and that is what is now being examined.

Mr. FOGARTY. Well, this language was discussed quite freely in conference and it was agreed unanimously that this language should go in the conference report to limit it to 20 percent or actual indirect costs, whichever was lower. Maybe we were too hasty in raising this overhead allowance from 15 to 20 percent.

Were these complaints from the more wealthy institutions? I am thinking about Harvard, MIT, California and places like that?

Mr. KELLY. The group that I met with that constituted the Committee on Governmental Relations of University Business Officers; the chairman is from the Massachusetts Institute of Technology. He was accompanied by a representative from Harvard University, from the University of California, and by the executive director of the committee, formerly from the University of Washington.

Mr. FOGARTY. My guess was pretty close.

Is there anything else you want to say about the hearings before we conclude them?

Mr. KELLY. We certainly appreciate this opportunity.

I would like to apologize for the number of times I had to be chided because we got the material up here late and for the revisions being late, but when you make available——

Mr. FOGARTY. We hope it will not happen again.

Mr. KELLY. When you give me the staff that is required for operations analysis, I think we will be able to do a better job.

Mr. FOGARTY. Do you think you can do a complete job promptly then?

Mr. KELLY. I hope so, sir.

Mr. FOGARTY. As I think I told you a year ago, you have one of the most difficult if not the most difficult budget jobs in Government. You are budget officer for the most rapidly expanding department with over 100 programs covering a very wide field of activities. I don't see how one person can become as knowledgeable about the details of so many programs as you are. We appreciate your assistance and the honest, straightforward way you have always dealt with us. I think the whole committee would agree that you have done an exceptionally fine job.

Mr. KELLY. I certainly appreciate that, Mr. Chairman.

Mr. FOGARTY. In closing this portion of our hearings I also want to say we appreciate the fine reporting we have had this year. Alice Chiang, who happens to be reporting at the moment has done a real good job. We think you have been one of the best reporters we have had and have always been very pleasant.

The same certainly applies to Fred Cohen and also Wilma Miller.

PREPARED STATEMENTS ON DEPARTMENT-WIDE ACTIVITIES

As in past years we have asked you to prepare several statements that apply to departmentwide activities or at least to several parts of the Department. We will place those in the record at this point.

(The various statements follow:)

MENTAL RETARDATION

INTRODUCTION

There have been important developments in the field of mental retardation during the past year. The President's Panel on Mental Retardation made its report on October 16, 1962; President Kennedy transmitted to Congress on February 5 of this year a special message on mental illness and mental retardation; and Dr. Stafford L. Warren was appointed Special Assistant to the President for mental retardation. These developments are described below. In addition there has been an expansion and improvement of several Federal programs already authorized under existing legislation.

THE PRESIDENT'S PANEL ON MENTAL RETARDATION

President Kennedy appointed the Panel on Mental Retardation in October 1961 with the mandate to prepare a national plan to help meet the many ramifications of this complex problem. In October 1962 the Panel presented its report, which was subsequently published early in 1963. The 200-page document includes 95 recommendations.

In carrying out its mandate, the Panel employed four main methods of study and inquiry:

1. Task forces on specific subjects were appointed to which all members of the Panel were assigned; special advisers were designated to work closely with them.
2. Public hearings were held in seven major cities of the country to which public officials concerned with mental retardation, teachers, representatives of several professions, parents, and others were invited not only to report on local and State programs and gaps in service but to make recommendations to the Panel.
3. Panel members and advisers visited England, Sweden and Denmark, Holland, and the Soviet Union to study methods of care and education of the retarded and to become acquainted with research in those countries.
4. A considerable body of literature and the results of recent studies were reviewed; and members of the Panel visited and observed facilities and programs for the retarded in several States.

Considering the problem of the mentally retarded in its broadest aspects, the Panel addressed itself both to the necessary improvement of basic services to all people, and to the improvement of specific services to the mentally retarded. In this context, the main recommendations of the report are directed to—

1. Research in the causes of retardation and in methods of care, rehabilitation, and learning.
2. Preventive health measures including (a) a greatly strengthened program of maternal and infant care directed first at the centers of population where prematurity and the rate of damaged children are high; (b) protection against such known hazards to pregnancy as radiation and harmful drugs; and (c) extended diagnostic and screening services.
3. Strengthened educational programs generally and extended and enriched programs of special education in public and private schools closely coordinated with vocational guidance, vocational rehabilitation, and specific training and preparation for employment; education for the adult mentally retarded, and workshops geared to their needs.
4. More comprehensive and improved clinical and social services.
5. Improved methods and facilities for care, with emphasis on the home and the development of a wide range of local community facilities.

6. A new legal, as well as social, concept of the retarded, including protection of their civil rights; life guardianship provisions when needed; an enlightened attitude on the part of the law and the courts; and clarification of the theory of responsibility in criminal acts.

7. Helping overcome the serious problems of manpower as they affect the entire field of science and every type of service through extended programs of recruiting with fellowships, and increased opportunities for graduate students, and those preparing for the professions to observe and learn at firsthand about the phenomenon of retardation. Because there will never be a fully adequate supply of personnel in this field and for other cogent reasons, the panel has emphasized the need for more volunteers in health, recreation, and welfare activities, and for a domestic peace corps to stimulate voluntary service.

8. Programs of education and information to increase public awareness of the problem of mental retardation.

In addition to a strong emphasis on research and prevention, the report recommends—

1. That programs for the retarded, including modern day care, recreation, residential services, and ample educational and vocational opportunities, be comprehensive.

2. That they operate in or close to the communities where the retarded live—that is, that they be community centered.

3. That services be so organized as to provide a central or fixed point for the guidance, assistance, and protection of retarded persons if and when needed, and to assure a sufficient array or continuum of services to meet different types of need.

4. That private agencies as well as public agencies at the local, State, and Federal level continue to provide resources and to increase them for this worthy purpose. While the Federal Government can assist, the principal responsibility for financing and improving services for the mentally retarded must continue to be borne by States and local communities.

THE PRESIDENT'S SPECIAL MESSAGE ON MENTAL ILLNESS AND MENTAL RETARDATION

President Kennedy proposed in this historic message a three-point attack on the problem of mental retardation: (1) To seek out the causes of mental retardation and eradicate them; (2) to strengthen the underlying resources of knowledge and of skilled manpower which are necessary to mount and sustain an attack on mental disability; and (3) to strengthen and improve the programs and facilities serving the mentally retarded.

Emphasizing the fact that the care and treatment of mental retardation, and research into its causes and cure, have been too long neglected, the President recommended a program of prevention, community services, and research.

Recommendations for prevention

A new 5-year program of project grants to stimulate State and local health departments to plan, initiate, and develop comprehensive maternity and child health care service programs, helping primarily families in the high-risk group who are otherwise unable to pay for needed medical care. These grants would be used to provide medical care, hospital care, and additional nursing services, and to expand the number of prenatal clinics. Prenatal and post partum care would be more accessible to mothers. An initial appropriation of \$5 million was recommended for this purpose, allocated on a project basis, rising to an annual appropriation of \$30 million by the third year.

Doubling the existing \$25 million annual authorization for Federal grants for maternal and child health, a significant portion of which will be used for the mentally retarded.

Doubling over a period of 7 years the present \$25 million annual authorization for Federal grants for crippled children's services.

The commitment by the States of at least 10 percent of the proposed aid for elementary and secondary education to special project grants designed to stimulate and make possible the improvement of educational opportunities, particularly in slum and distressed areas, both urban and rural.

Recommendations for community services

Legislation which would stimulate public awareness and the development of comprehensive plans, and establish a program of special project grants to the States for financing State reviews of needs and programs in the field of mental retardation.

The authorization by Congress of matching grants for the construction of public and other nonprofit facilities, including centers for the comprehensive treatment, training, and care of the mentally retarded. Grants of \$5 million a year will be provided for these purposes within the total authorizations for facilities in 1965 and this will be increased to \$10 million in subsequent years.

A new emphasis by the Office of Education on: Research in the learning process, the application of research findings to teaching methods for the mentally retarded, the support of studies on improvement of curriculums, the development of teaching aids, and the training of special teachers.

Legislation to permit rehabilitation services to be provided to a mentally retarded person for up to 18 months, to determine whether he has sufficient potential to be rehabilitated vocationally, and to establish a new program to help public and private nonprofit organizations to construct, equip, and staff rehabilitation facilities and workshops, making particular provision for the mentally retarded.

The appropriation under existing law of project grants to State institutions for the mentally retarded, with an initial appropriation of \$5 million to be increased in subsequent years to a level of at least \$10 million. Such grants would be awarded to State institutions undertaking to upgrade the quality of residential services through demonstration, research, and pilot projects designed to improve the quality of care in such institutions and to provide impetus to inservice training and the education of professional personnel.

Recommendations for research

Legislation to authorize the establishment of centers for research in human development, including the training of scientific personnel.

New research authority to the Children's Bureau for research in maternal and child health and crippled children's services.

APPOINTMENT OF DR. STAFFORD L. WARREN

On January 23, 1963, President Kennedy appointed Dr. Stafford L. Warren as his Special Assistant for Mental Retardation.

Dr. Warren is vice chancellor, health sciences, of the University of California of Los Angeles and professor of biophysics and nuclear medicine at UCLA School of Medicine. He has had wide experience in government and is serving at the present time as: Veterans' Administration Research Advisory Committee; consultant, Army Medical Service, Historical Unit; member, U.S. Public Health Service National Advisory Health Council; member, Advisory Committee on Medical Education, California Coordinating Council for Higher Education; member, National Academy of Sciences—National Research Council Advisory Committee on Behavioral Research; member, Atomic Energy Development and Radiation Protection Committee of Los Angeles County Board of Supervisors; member, Scientific Advisory Committee, Los Angeles Air Pollution Control District; and member, California Governor's Committee on Mental Hygiene.

Dr. Warren's principal assignment is to work with Federal, State, and private groups to carry out the recommendations of the President's Panel for Legislative Action and to increase public recognition of the many facets of mental retardation. Specifically, he is attempting to develop governmental and private support for the establishment of research institutes at various universities in the United States; working with State agencies to plan modern community services such as workshops, day care centers for the retarded, and maternal health clinics; setting up training programs for specialists in rehabilitation, social work, recreation, and psychological services for the retarded.

The problem of mental retardation

The report of the President's Panel on Mental Retardation and the President's special message have highlighted the scope and economic impact of this disorder.

Based on present knowledge the causal factors in mental retardation may be divided into two broad categories: (1) mental retardation caused by incompletely understood psychological, environmental, or genetic factors without any evident damage of the brain; and (2) mental retardation caused by a number of specifically identified conditions or diseases. The causal and contributing factors included in each of these categories are as follows:

1. Mental retardation caused by incompletely understood psychological, environmental, or genetic factors without any evident damage of the brain.

This group contains 75 to 85 percent of those diagnosed as retarded. It consists of individuals who show no demonstrable gross abnormality of the brain and who, my and large, are persons with relatively mild degrees of retardation. In general, the prevalence of this type of retardation is greater within the less favored socioeconomic groups within our culture.

A variety of factors may be operating within this large category. It is believed that some members of this group are products of very complex mechanisms of heredity, reflecting the fact that human beings show genetic variability in any characteristic, including measured intelligence. Environmental factors such as the psychological circumstances of life, social interaction patterns, and the richness of the environment with respect to intellectual stimulation play an important definitive or contributory role within this group. Finally, a variety of unfavorable health factors—including maternal health and prenatal care, nutrition, the conditions of birth, and other illnesses or injuries which may produce minimal and undemonstrable brain damage—probably contribute to a lower level of performance in many cases.

The total effect, thus, is a complex one, involving the action or the interaction of genetic factors, psychological experiences, and environmental influences. At the present time, it is impossible to assign clear weights to each of these general causative factors. It is known that all of them, however, operate more strongly in the underprivileged groups than among those more favorably situated in society. The prospects for prevention and amelioration should not be discouraging, however, since many of the environmental and psychological variables are subject to control, opening up the possibility of preventing some of the retardation, especially of milder degree, based upon this class of causation. Some of these conditions are preventable if treatment can be instituted early enough in the child's life. Most of the remainder can be ameliorated through a combination of resources, medicine, social work, education, and rehabilitation.

It should be very clearly stated that these same factors also affect retarded individuals whose difficulty stems from the more specific etiologies enumerated in category 2 below.

2. Mental retardation caused by specifically identified conditions or diseases in which there is demonstrable brain damage.

In approximately 15 to 25 percent of diagnosed cases of mental retardation, a specific disease entity can be held responsible. The impact of such diseases can be most readily demonstrated in those instances where there has been gross brain damage and where the degree of retardation is severe. As mentioned above, it is uncertain to what extent these "organic" factors may operate to produce minor impairment among the less severely retarded groups. Such "organic" factors fall within seven general classes.

(a) Diseases due to infections in the mother during pregnancy or in the infant after birth. German measles, occurring during the first 3 months of pregnancy, is known to result in mental retardation as well as other abnormalities. Other infections occurring during pregnancy have also been implicated. A number of the infectious diseases of infancy and childhood may cause brain injury resulting in retardation.

(b) Brain damage resulting from toxic agents which are ingested by the mother during pregnancy or by the child after birth. Jaundice of the newborn due to Rh blood factor incompatibility and carbon monoxide or lead poisoning are examples.

(c) Diseases due to trauma or physical agent. Brain injury occurring as a result of difficult delivery, and asphyxiation due to delay in the onset of breathing at the time of birth are common causes. They occur with particular frequency in premature babies. Brain injury in childhood, especially from automobile accidents, is an added factor.

(d) Diseases due to disorders of metabolism, growth or nutrition. A number of disorders of metabolism, some of which are determined by heredity, produce mental retardation. Some of the most important of these disorders are phenylketonuria and galactosemia in which there are abnormalities of amino acid chemistry in the body.

(e) Abnormal growths within the brain. A number of rare conditions, some determined by heredity, are characterized by tumor-like and other abnormal growths within the brain and produce mental retardation.

(f) Diseases due to unknown prenatal factors. Recent discoveries prove that mongolism results from abnormal grouping of chromosomes probably at the time of formation of the ovum in the mother. Other congenital malformations have a similar basis. For some, however, an undetermined prenatal mechanism must be responsible.

(g) Diseases due to uncertain causes but with evident damage of the brain. A sizable group of mentally retarded children have evident damage to the brain which is presumed to be linked to the mental retardation. The causes of the pathology of the brain in this sizable group remain unknown.

Data on patients in institutions show a higher prevalence of pathological conditions among the more severely retarded. Retarded children have other defects more often than the average child. They are often smaller than average, and have poorer muscular coordination. They have a greater than ordinary percentage of defects, such as hearing and vision, and have probably greater difficulty in perceiving what the sense organs bring to their minds. Thus many of them are multihandicapped in some degree.

SCOPE OF THE PROBLEM

Mental retardation is defined as impairment of ability to learn and to adapt to the demands of society. These demands are not the same in every culture. In fact, even within our own community they vary with the age of the individual. We expect little, in terms of intellectual pursuits, from the preschool child. During the school age, the individual is evaluated very critically in terms of social and academic accomplishment. In later life, the intellectual basis of social inadequacy again may be less evident. Numerous surveys directed toward determining the frequency and magnitude of the problem of mental retardation have shown that the number of individuals reported as retarded is highest during the school age. Less than one-fifth as many children in the age group 0-4 were reported by these surveys as mentally retarded as were reported in the age group 10-14. Similarly, only one-fourth as many persons in the age group 20 and over were identified as mentally retarded as compared with the number identified in the age group 10-14.

This varying prevalence by age is to some extent determined by differential survival rates and other demographic factors. However, the very high prevalence at ages 10-14 is due primarily to the increased recognition of intellectual handicap of children within the school systems. The very low number of infants from 0 to 1 year old identified as retarded is in part at least due to the fact that their intellectual deficit is not yet apparent. Only gross impairment is evident in early childhood. Of striking significance is the fact that half of the individuals considered retarded during adolescence are no longer so considered in adulthood.

In view of these considerations, only the most crude estimates of the overall magnitude of the problem can be established. One such estimate may be derived through the use of intelligence quotients, and obtained from the samples upon which our intelligence tests have been standardized. The numbers of mentally retarded persons by this criterion can be calculated roughly on the basis of this experience with intelligence testing. On most tests standardized nationally, experience has shown that virtually all persons with IQ's below about 70 have significant difficulties in adapting adequately to their environment. About 3 percent of the population score below this level.

Based on this figure of 3 percent, it is estimated that, of the 4.2 million children born each year, 126,000 are, or will be, classed as mentally retarded.

Of the 126,000, some 4,200 (0.1 percent of all births) will be retarded so profoundly or severely that they will be unable to care even for their own creature needs. About 12,600 (0.3 percent of all births) will suffer from moderate

retardation—they will remain below the 7-year intellectual level. The remaining 110,000 (2.6 percent of births) are those with mild retardation and represent those who can, with special training and assistance, acquire limited job skills and achieve almost complete independence in community living.

Applying these same percentages to the total population it is estimated that there are approximately 5.4 million mentally retarded persons in the population. Of this number—

There are 60,000 to 90,000 persons, mostly children and adolescents, so profoundly or severely retarded that they cannot survive unless constantly cared for and sheltered.

There are 300,000 to 350,000 moderately retarded children, adolescents, and adults who can assist in their own care and even undertake semiproductive endeavors in a protected environment. They can understand the meaning of danger. However, they have limited capacity to learn, and their shortcomings become evident when they are called upon to understand the meaning of symbols as used in the written language. These people can learn many tasks when patiently and properly taught.

Some 5 million are mildly retarded children, adolescents, and adults who are able to perform more adequately, adjust in a limited way to the demands of society, and play a more positive role as workers.

Economic costs of mental retardation

There are no reliable estimates of the total cost to the Nation, both direct and indirect, of mental retardation. The direct costs to families and to communities include those for institutional and home care and for special services. Indirect costs include the losses that result from the absences of earning capacity and inability to contribute to the production of goods and services.

Only 4 percent of the mentally retarded are confined to institutions. Yet, their care costs relatives and communities some \$300 million annually. Additional amounts are required for the construction of facilities for custodial and educational purposes. The cost of institutional care, facilities construction, and special care in the family home totals more than \$1 billion per year.

OBLIGATIONS

Obligations for programs on mental retardation, selected years¹ (under existing authority)

Agency and appropriation	Fiscal year					
	1955	1960	1961	1962	1963 estimate	1964 estimate
Office of Education:						
Defense educational activities (new educational media research).....		\$48,224	\$62,875	\$81,709	\$50,000	\$25,000
Expansion of teaching in education of the mentally retarded.....		985,221	993,433	997,000	1,000,000	1,000,000
Cooperative research.....		651,600	346,121	265,765	467,400	1,056,000
Salaries and expenses (administration of grant program, "Expansion of teaching", etc.).....		43,000	50,000	49,500	61,250	129,000
Total, Office of Education.....		1,728,045	1,452,429	1,393,974	1,578,650	2,210,000
Vocational Rehabilitation Administration:						
Grants to States.....	\$230,000	1,798,108	2,266,287	2,800,000	3,550,000	5,400,000
Research and training.....	48,700	944,256	1,071,176	1,174,000	1,225,000	3,235,000
Salaries and expenses.....						47,000
Total, Vocational Rehabilitation Administration.....	278,700	2,742,364	3,337,463	3,974,000	4,775,000	8,682,000

See footnotes at end of table, p. 1168.

Obligations for programs on mental retardation, selected years¹ (under existing authority)—Continued

Agency and appropriation	Fiscal year					
	1955	1960	1961	1962	1963 estimate	1964 estimate
Public Health Service:						
Mental health activities...	\$317,000	\$2,808,000	\$3,947,000	\$5,275,000	\$7,288,000	\$15,091,000
Neurology and blindness activities.....		8,947,000	11,455,000	12,822,000	15,839,000	17,893,000
Child health and human development.....						3,200,000
Chronic diseases and health of the aged.....				230,000	290,000	1,000,000
Dental services and resources.....		2,000	12,000	30,000	143,000	105,000
Division of hospital and medical facilities.....		1,841,000	3,650,000	4,704,000	(²)	(²)
Total, Public Health Service.....	317,000	13,598,000	19,064,000	23,061,000	23,560,000	37,289,000
Social Security Administration:						
Bureau of Old-Age and Survivors Insurance:						
Estimated benefit payments from trust funds.....		(29,300,000)	(39,300,000)	(51,600,000)	(62,200,000)	(73,500,000)
Trust fund obligations incurred to adjudicate claims of beneficiaries.....		(1,900,000)	(1,400,000)	(1,700,000)	(1,600,000)	(1,800,000)
Total, Social Security Administration.....		(31,200,000)	(40,700,000)	(53,300,000)	(63,800,000)	(75,300,000)
Welfare Administration:						
Bureau of Family Services:						
Grants to States for public assistance ³	11,000,000	21,000,000	24,000,000	28,000,000	33,000,000	36,000,000
Salaries and expenses.....	5,000	10,000	15,000	20,000	20,000	25,000
Children's Bureau:						
Grants to States for maternal and child health.....	63,892	1,300,000	1,434,300	1,610,000	1,665,000	2,665,000
Salaries and expenses.....		97,800	92,000	80,000	106,000	177,000
Total, Welfare Administration.....	11,068,892	22,407,800	25,541,300	29,710,000	34,791,000	38,867,000
President's Panel on Mental Retardation.....					⁴ (150,000)	
Grand total, general funds.....	11,664,592	40,476,209	49,395,192	58,138,974	64,704,650	87,048,000
Grand total (trust funds).....		(31,200,000)	(40,700,000)	(53,300,000)	(63,800,000)	(75,300,000)

¹ Figures in parentheses are for obligations from the old-age and survivors insurance trust funds and the disability insurance trust fund. All others are obligations from appropriated general funds.

² Not possible to estimate.

³ Exact information is not available on the costs due to mentally retarded people who are receiving public assistance because data secured does not single out this 1 cause as a factor of disability or dependency. However, it is known that mental retardation is an important cause of disability for those receiving aid to the permanently and totally disabled under the Federal State public assistance program. The amounts shown here are estimates based on a constant percentage of total payments under this part of the program.

⁴ This amount is shown as a nonadd item since it is to be derived by transfer from funds available to the National Institutes of Health for mental retardation activities.

NATIONAL INSTITUTES OF HEALTH

Up to the present time, National Institutes of Health activities in the field of mental retardation have been centered in the National Institute of Mental Health and the National Institute of Neurological Diseases and Blindness. However, with the establishment early this year of the National Institute of Child Health and Human Development, a redistribution of NIH responsibilities in the field of mental retardation will be undertaken. It is planned that in the future the center of research effort directed toward fundamental inquiry into the causality and etiology of mental retardation in the context of the basic processes of human development, both biological and behavioral, including the factors influential prior to and during the intrauterine stage, will be assumed by the National Institute of Child Health and Human Development. The function of this Institute will also encompass responsibility for the planning and development of the research centers in human development in which research on mental retardation will be a major objective as envisaged in the program of the President now before the Congress.

The National Institute of Mental Health will center its research interests in the area of mental retardation on the problems of prevention, understanding the contributory influences of sociological and environmental influences in mental retardation, in the study and development of function, techniques and arrangements for diagnostic, remedial and rehabilitative services in the context of community mental health programs and institutional operational studies.

The National Institute of Neurological Diseases and Blindness will continue a fairly substantial involvement in the area of research in mental retardation pending the emergence of broad operational capability on the part of the Institute of Child Health and Human Development. Specifically, the collaborative perinatal program, involving as it does inquiry into all factors involved in fetal damage, will continue under the National Institute of Neurological Diseases and Blindness. The programs of the other institutes of the National Institutes of Health will, of course, contribute to progress of knowledge in the field of mental retardation as the pursuit of their own categorical objectives sheds light upon other factors contributory to mental retardation.

MENTAL HEALTH

SPECIAL REPORT—MENTAL RETARDATION

The Institute has been active in four major areas of mental retardation: research, program development, services, and personnel. In support of these programs the budget has been increased from approximately \$2.5 million in 1959 to the current \$7.3 million estimated for 1963. During the year consultations were provided the regional offices, State programs and institutions, as well as activities pertaining to application for grants.

Efforts are being directed to enhance the perception of scientists as to the potentialities for research in this field. Further, augmentation of awards of research fellowships at the predoctoral and postdoctoral level is expected to enlist the concern of additional scientists.

INTRAMURAL RESEARCH

In the Institute's own laboratories, work has continued on assessing developmental status (mental, motor, and behavioral) on 1,200 patients aged 1 to 15 months. Preliminary findings indicate meaningful rating pertinent to the evaluation of performances on mental and motor scales in early diagnosis of mental deficiency. Another study describes the mechanism of the enzymatic conversion of phenylalanine to tyrosine, of relevance in phenylketonuria, one cause of mental retardation. Neuropsychological studies relating to mental retardation are also being pursued. A new clue to genetic factors controlling protein synthesis in the human body has been noted by staff investigators studying soluble ribonucleic acid.

EXTRAMURAL RESEARCH

This section of the report constitutes a review of current research in mental retardation being conducted by investigators receiving whole or partial grant support from the Institute.

The research covers four areas: etiology, diagnosis and treatment, psychological and social adjustment, and psychological processes in the retarded.

ETIOLOGY OF MENTAL RETARDATION

Environmental

Intelligence as a function of early environment is being investigated through a number of experimental situations involving the problem-solving behavior of animals. One aspect of the present investigations has centered on the effects of the immediately preceding environment on behavior in simple and complex situations. Wide behavioral differences have been found and reported in some detail this past year. Another project is designed to assess the effects of multiple stresses on certain adaptive-behavioral deficiencies in animals.

Genetic

An intensive study to identify families with more than one case of mental deficiency or mental illness yielded sociological and genetic data concerning the incidence of similar or unrelated cases of mental dysfunction in these families. Review of data has identified cases with specific metabolic defects, such as phenylketonuria, galactosemia, and other inheritable disorders that may cause mental impairment.

A major area of investigation has been cytogenetic studies of multiple congenital anomalies in man, including mental retardation. Chromosomal studies of mongoloid patients born of mothers under 29 years of age have been completed. The finding of various chromosomal abnormalities in the same family has suggested that genetic factors causing chromosomal abnormalities may be an important factor in mongolism in the young mother.

Furthermore, a number of patients with abnormalities of sex development have been identified by sex chromatin determination. Mentally retarded and mongoloid siblings of these patients have been studied and data have been acquired. Further studies of these families and the families of patients with various other related abnormalities have been completed or are in progress.

Another study is investigating the incidence of abnormal electroencephalograms in a group of children and some of their parents where it is known that at least two children in each family are mentally retarded.

Metabolic

Many abnormalities of metabolism associated with various mental disorders, including mental retardation, are being investigated effectively through the study of urine metabolites. Substances excreted in abnormally large amounts by patients with phenylketonuria are being studied to identify abnormal metabolites in the urine, to understand the manner in which these abnormal metabolites are formed, and, thus, gain evidence which might explain the occurrence of mental deficiency in phenylketonuria. In the same vein, laboratory studies are being undertaken to determine the relationship of metabolites derived from phenylalanine and those derived from tryptophane in phenylketonuria. Experimental production of phenylketonuria in rats has permitted investigation of the effect of dietary phenylalanine upon several aspects of tryptophane metabolism. The possible significance of these phenomena in mental deficiency and phenylketonuria has been reported.

Increased interest in the metabolism of amines, due to the possible relationship between amines and various diseased states, has promoted studies with pure enzymes. In the course of these investigations, a procedure was developed and reported this year for the purification and crystallization of the enzyme, monoamine oxidase, found in the liver, brain, and other organs.

The effect of phenylalanine, galactose, and their derivatives, on various brain and liver enzymes of animals, as well as the formation of benzoic acid from phenylalanine, are subjects of investigations to determine the correlation between brain and liver function in mental disorders. The effect of phenolic compounds and their metabolites on brain metabolism is also being studied.

In this same general area of research, a number of factors are already known to influence enzyme activity. An experimental study, reported in detail this past year, further demonstrates that the animal's age, sex, and dietary status affect the concentration and activity of liver phenylalanine hydroxylase in rats. In addition, experimental production of phenylketonuria has been extended to primates in the past year and new experiments were begun which will stimulate, in infant primates, maple syrup urine disease as found in human infants.

Neurological

A multidisciplinary approach to mental retardation has been the unique feature of an experimental study of basal nuclear structures with regard to motor disorder, metabolic abnormality, and behavioral defect. Considerable clinical evidence relates striatal neuropathology to behavioral, physiologic, and emotional deterioration in patients with certain diseases involving mental dysfunction.

The influence of diseases on the development of the brain of the fetus is the subject of an investigation surrounding the prenatal development of the human cerebral cortex. Results of the first phase of this study, involving the cerebral cortex of the 8-month-old premature infant, have contributed to the establishment of an atlas of the premature infant cerebral cortex.

Continuing research and analysis of the effect of neonatal and infantile cortical and subcortical lesions on learned and unlearned behavior is a part of another extensive research project involving the behavioral changes resulting from induced phenylketonuria in primates and the effects of interruption of other enzyme systems or disease entities on neonatal primates and fetuses.

DIAGNOSIS AND TREATMENT OF MENTAL RETARDATION

A Mental Retardation Clinical Research Center, the first of its kind, has been established at the University of Nebraska. The center brings together contributions from medicine, biochemistry, genetics, psychology, physiology, anthropology, sociology, speech pathology, and special education in studying the genetic, social, psychological, and somatic aspects of mental retardation.

Closely allied with the center is a project referred to as a pilot screening treatment unit for mentally retarded. This facility was designed as an evaluation and intensive treatment unit for all preschool children in the State, under 6 years of age, who were considered retarded. The age limit was subsequently raised to 12 years. The scope of the evaluation program has since been broadened to include children with speech and hearing problems associated with retardation.

One encouraging aspect of this program is the increasing interest of the community. A continuing number of referrals are received from physicians in private practice and various community agencies. The response of hospitals and physicians to requests for information about patients has been vital to the success of the project.

The results of preliminary data from a followup study of phenylketonuria patients controlled from birth, reported this past year, reveal no mental deterioration after cessation of treatment at 4 years of age. The patients had been maintained on a phenylalanine-restricted diet from the first weeks of life. Their satisfactory development on an unrestricted diet suggests that it may be feasible, in some cases, to discontinue the therapeutic diet by 4 years of age without adverse effects.

A related project continues on the early detection and long-term management of phenylketonuria. In cooperation with the California State health and education departments, routine diaper testing with ferric chloride is being carried out in the well-child population. The screening of children in special education classes and the evaluation of children born to families with known phenylketonuric children continues.

More adequate dietary lists are being developed so that the families may have a greater variety of foods and thus a more adequate intake. Laboratory facilities are also provided for serum phenylalanine blood levels for the screening of patients by other physicians in the community and to determine if the diet management is satisfactory.

Investigations of the effects of psychopharmacological agents in children, particularly in regard to mental retardation, are seeking to determine such things as effects of certain drugs on reading skills. Comparisons have been made of the patterns of perceptual, cognitive, and motor skills in retarded and non-retarded readers. A detailed report was presented this past year concerning the use of psychoactive agents as adjuncts in remedial reading.

Another important project in this area is the establishment of a children's psychopharmacology unit for the systematic study of psychotropic drugs and their potential usefulness for children. Since it has been demonstrated that children show important differences from adults in their responses to drugs, controlled studies are evaluating drugs which appear therapeutically promising for children on the basis of previous clinical studies.

It has been noted that severe emaciation occurs in some mentally defective children, as well as increased susceptibility to intercurrent infections. Since evidence has shown that protein deficiency causes psychic changes, including retarded learning ability, an investigation has been undertaken to study and relate levels of serum protein, serum electrolytes, and the body water distribution to the degree of emaciation in mentally defective patients.

PSYCHOLOGICAL AND SOCIAL ADJUSTMENT OF THE RETARDED

Personality and social development

Several studies are underway of some of the factors, other than IQ, which may influence the extent to which a mentally subnormal child is seen as mentally subnormal.

The first phase has been completed of a study concerned with over 200 institutionalized, mildly retarded children. Attention was focused upon family background, family structure, and familial incidence of mental retardation among mildly retarded and the relevant factors predisposing institutionalization. The significant finding is that the immediate precipitating factor leading to admission in 60 percent of the cases was the child's behavior.

The second phase is concerned with a followup study of the same group relative to the interrelationships between rate of development and degree of impairment in four major aspects of mental retardation: intelligence, maturation, learning, and social adjustment.

A study of self-attitudes, emotional adjustment, and learning in the mentally retarded is increasing understanding of the dynamics of their behavior, both institutionalized and noninstitutionalized. Findings of a part of this study, related to patterns of hostility among the retarded, confirm the suggestion that hostility may serve different functions for different mentally deficient individuals.

Since the preceptions and reactions of other persons are likely to be important to the adjustment of the subnormal person, studies have been undertaken in which the mental defective has been treated as a stimulus as well as a behavior. These studies include investigations of sociometric relationships, parental reactions, interpersonal interaction, and play patterns of the retarded. One study, reported in detail this year, examines some factors which may influence the stimulus qualities of the defective. It is an attempt to manipulate the judged characteristics of observed defective children by varying the degree of exposure of observers to certain mentally defective children and the kind of preliminary information given to judges. The judgements are on those traits most directly related to mental subnormality, such as inadequacy, helplessness, and abnormality.

Parental attitudes

A study of relationships between parental attitudes and the social development of preschool retarded children is contributing to the understanding of the attitudes of parents toward retarded children.

Of greater possible significance, the project may reveal more concerning the influence of parent attitudes toward one another and their child upon the intellectual and social development of the individual child. Thus, the present research seeks to identify, through cross-sectional study, the characteristics of the parent-child relationship that are conducive to helping the retarded to become a self-sustaining, productive adult.

Much of this work is being carried out at the Kennedy Child Study Center, New York City, where the day-care treatment, training, and education of preschool retarded children and the guidance of their parents is helping to retain the child in his own home and community.

The focus of a related project is on the aspects of the family relationship which appear to have consequences for the mental health of the intellectually normal brothers and sisters of a severely retarded child. One of the several aims of the study is to determine the effects of placement of the retarded child in an institution on parents' dissatisfaction with the normal children in the family.

Abilities and skills

Research activities in this area are directed toward exploring abilities starting with basic sensory and motor tasks, continuing through perceptual functions, to reasoning, memory, and integrative functions. One objective is to then compare the development of abilities in retarded children with that of normal children. It is hoped that the findings will contribute to the improvement of classification, treatment, and training procedures.

The findings of one phase of this study, concerning electrical sensitivity of the eye in the mentally retarded, have established that retarded individuals, on the average, have higher phosphene thresholds than normal individuals. The investigators believe that the retarded may have difficulty in understanding instructions and have trouble adjusting to the situation since it involves a sensory experience in which the individual may be handicapped. It has been concluded that this elevated phosphene threshold in the retarded reflects physiological rather than psychological factors with regard to the disorder.

Language

A noteworthy project in language development in mentally retarded children is the establishment of a laboratory for speech research at the Children's Hospital Medical Center, Boston. The purpose of the laboratory is to allow a total research approach to problems of speech; no clinical treatment is being offered at this time. The projects carried out at this laboratory fall into two categories: the physiology of speech; and the development of speech. The same techniques developed in connection with the deaf have been applied to speech and language development in retarded children and those with Mongolism at the center.

Learning

Investigations to develop improved training methods for mental defectives constitute the product of principles derived from a number of studies with animals and normal humans. For example, it has been found that both high- and low-level retarded individuals can readily learn to operate an arithmetic-teaching machine, usually within a single short session. The testing and improvement of this device and technique continue.

Other phases of these studies involve learning and transfer in mental defectives as a function of training and stimulus, of mental age, IQ, and diagnostic category. Various reports have been published this past year concerning such aspects as approach and avoidance in discrimination learning in the retarded, the effects of practice on the delayed response of the retarded, and recalls versus trials as factors in serial learning of the retarded.

An attention theory has also been developed which suggests that the visual discrimination learning of moderately retarded children requires acquisition of a chain of two responses: attending to the relevant stimulus and approaching the correct cue. The difficulty experienced by the retarded in discrimination learning is found to be related to limitation in the first, or attention, phase of this dual process rather than the second.

Related projects emphasize the learning of multiple, comparable problems as contrasted with the learning of a single problem. Progressive improvement in the solution of successive problems, or "learning to learn" a class of problems, has been termed learning set. The results of the present program of research in this field should extend existing knowledge of the principles which govern learning by children of various mental capacities.

Perception

As was mentioned earlier, it is well known that cognitive functioning in the brain-injured and the mentally defective individual shows distinct limitations in resources for handling novelty and change. Visual perception is an area which lends itself to the study of these phenomena through altered conditions of binocular vision, such as artificially induced aniseikonia—a condition in which the image seen by one eye is different from that seen by the other.

As a byproduct of these investigations, extensive data will be available to permit analysis of the relationship of age, intelligence, and brain injury to normal binocular vision. Other studies in this field, such as spatial orientation in visual perception of children and studies in psychological differentiation involving sleep, dreams, and sensory isolation, may have implications for further investigation of the nature of the perceptual difficulties often shown by mentally defective children.

PROGRAM DEVELOPMENT

Several of the States are now beginning to coordinate and to plan broadly their programs for the mentally retarded. Plans are now underway to have a meeting of several coordinators of State programs in the effort to share their ideas and experiences among themselves; also with a few States which are now beginning to establish State-level coordinated programs. This planning conference will be under the aegis of the AAMD technical project which has contributed so much to our store of knowledge of programs for the retarded in recent years.

Of great interest is the type of activity going on in California, which plans to open three multipurpose treatment centers on a community level, each of which will have 250 beds for inpatient treatment and outpatient programs available to over 700 retarded and their families. There is also a project studying the implications of data collected on 10 years of experience with the institutionalized retarded.

In the State of New York, several new residential care centers have been opened, providing more bed space for the retarded. Classes for the severely retarded (IQ under 50) were made mandatory in 1961. In recent years, the number of diagnostic clinics has grown to 12, with a basic team of specialists to meet the needs of the retarded in large centers of population.

Connecticut continues to move ahead with its programs, providing "close to home" treatment in its series of regional centers. This is a progressive step and one which will be evaluated carefully for a future trend. The centers have both in-patient and day-care programs. Recently, 13 acres within the city of New Haven were given by the Governor for a regional center to serve the need of this urban area.

In Wisconsin, the effort is being made to accelerate a program to return more long-term institutionalized retarded back into the community. The city welfare departments have also been instrumental in helping 49 patients from 3 State colonies under Aid to the Disabled to be placed in community settings. Some of these patients have been institutionalized 30 years or more, and, of this number, only 1 had to be returned.

Kentucky acquired a 500-bed institution on 185 acres as a second facility for the retarded. This will relieve the training home in Frankfort which has been the only State institution for the retarded with a long waiting list. The master file, reflecting comprehensive information on the retarded, is in operation and has been of great benefit so far to the State.

In Louisiana, the 10 day-care centers for the preschool trainable children between the ages of 4 and 7 provide a socializing experience for these youngsters.

In Maine, there are now grant-in-aid funds for communities to operate day-care centers for the trainable retarded. In describing a pilot project in which a home visitor visited families throughout the State to discuss problems in training and education for the children, the comment was made: "the most remarkable feature has consistently been the eagerness of parents for the help that would make it possible for the retarded individual to remain in his home." This is a relatively inexpensive, immediate means of bringing together the services and the retarded who need them.

The information consultation service for the retarded in Rhode Island continues to make its presence known in the community by the effectiveness of its services. It answers the problem for many that there is a place where infor-

mation is made available about resources for the mentally retarded and their families. The use of the telephone "a voice from afar" is the essential instrument of contact. Later the face-to-face interview helps to allay the fears as well as provide the support so badly needed. The Rhode Island Association for Retarded Children continues to coordinate this project.

SERVICES

The technical assistance projects to the States, during the year, covered such areas as: the role of the family in caring for the retarded, the utilization of personnel in caring for the uneducable retarded, program planning on a State level, nursing services for the retarded, and volunteer programs for the retarded. We foresee an increased number of this type of activity by the staff in sharing with State personnel the results of other similar conferences; consultative and technical assistance resources in the institute and the regional offices will be augmented to meet such anticipated needs.

Project grants are expected to total \$1.3 million for the current year. These grants include work with defective delinquents, reading methods, staff relations, PKU in school age children, a statewide evaluation center, and other community-based projects. As the recommendations of the President's Panel are publicized, more worthwhile projects will be submitted to the Institute for approval. As the material from these projects is shared among all disciplines and agencies involved, the welfare of the mentally retarded will be enhanced.

PERSONNEL

The Institute has supported professional training programs in the basic mental health disciplines: a program with the George Peabody College for Teachers emphasizes training of psychologists who would have special competence in the area of retardation; at the University of California Medical School, and the Langley-Porter Clinic reflects integration of mental retardation as a major component in the graduate training program in psychiatry.

AREAS FOR CONCERN

In a field that is beginning to gain national prominence, it is recognized that there are many gaps in essential programs. This is of concern to the Institute as it works with the various State agencies. This section is devoted to a brief overview of some of these concerns.

State planning

One of the significant recommendations made by the President's Panel is the need for States to begin a broad plan, noting those sections of the State government now concerned with mental retardation and the need to coordinate all these activities. We feel that as we help with such planning, it will mean a much better type of service for the retarded and their families, as well as streamlining services for the handicapped. The use of technical assistance projects as mentioned above will serve to help in this area. There is need also, for a National Planning Conference in the foreseeable future which would have as its basic function to emphasize the need for all States to look closely at current programs and blueprint the future. As a corollary to this, information which might be shared with experts overseas, suggests that an International Conference bringing to bear the best minds in the world, has much to offer.

Residential care and treatment

A need exists for the more rapid application of new and improved approaches to techniques for the care, treatment, and rehabilitation of retarded individuals in State residential institutions. To achieve prompt application of proven and modern findings and to shorten the gap between research findings and their communication to the practitioner, the Institute is proposing a new program of long-term demonstration grants to State institutions for the retarded. The goal of the new program is to upgrade the quality of care—through demonstration and training—and to accelerate the progressive movement and release of the retarded individual back to his own community.

The community

As the community views the problem of retardation, there are many facets that must be brought out. The most important is the use of all community resources

in the effort to keep families together. The attitudes of professionals and the lay public alike need to be changed in terms of what can be done for the retarded. Too often, the only suggestion is institutionalization, yet these children need, more than anything else, tender, loving care by their families and by professionals. Current studies indicate the benefits of maintaining the child in a normal environment with appropriate care, rather than confining him to an institution. The President's Panel had suggested many areas which can be used in the community.

Volunteers

Volunteers can aid the program of services to the retarded, both in the residential centers and the community-based programs. The very simple matter of providing attention and warmth to an individual or small group of retarded in a cottage or community setting is helpful. It is suggested that for a young person with adequate training (high school or college) who is looking for a career, this would be an opening wedge. With preliminary training, the volunteer can provide valuable assistance as help on an "aid" level, indicating that the volunteer is not replacing services of the regular staff member. The work of the volunteer, however, must be properly administered to give it stature within the particular locales.

Demonstration

Major advances in the field can, and should, be accelerated by the establishment of demonstration projects designed to achieve the more rapid application of research findings and their testing in research settings. The more demonstrations made and the more results shared throughout the country, the better equipped will our resources be in showing what can be done to help the retarded maintain themselves adequately in the community and in the residential care programs. The experience of the referral service in Rhode Island, the regional center in Connecticut, the proposed statewide evaluation center in Wisconsin, the occupational day center for severely retarded in New York are but a few of the kinds of demonstrations that need to be established.

NEUROLOGY

SPECIAL REPORT: MENTAL RETARDATION ACTIVITIES IN THE NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

THE PROBLEM

Although scientists have been exploring the origin and development of mentality, they have not yet clearly identified the causes of mental retardation. As long as the underlying causes remain obscure, preventive and remedial efforts cannot be fully marshaled against this condition.

The President's message on mental illness and mental retardation and the earlier report by the President's Panel on Mental Retardation emphasized the vast size of the problem and the many approaches necessary to a solution. Both stressed the importance of prevention—prevention through the application of the presently known facts and through additional research to discover many unknown causes and new means of prevention.

A definable neurological disease is the cause of 25 to 50 percent of the cases of mental retardation. These include but are not limited to the most severely handicapped. In another small percentage of cases, sometimes spoken of as the "pseudoretarded," unfavorable social environmental factors are solely responsible. In the vast majority of the moderate and mildly retarded, a combination of limited basic intellectual ability and unfavorable environmental opportunity leads to the social inadequacy called retardation.

The primary concern of the National Institute of Neurological Diseases and Blindness is the study of those disorders and diseases which lead to injury or defect of the nervous system. The Institute therefore is seeking to understand the structural or chemical defect caused by developmental deviation, injury, or disease affecting the brain which in many instances is the underlying factor in mental retardation and other neurosensory disturbances of infancy and childhood.

Hope for discovering the precise biomedical causes of mental retardation increases with the knowledge obtained in recent years regarding some of the specific disease processes which are associated with this condition. These causal factors include: infections or intoxications occurring in the mother dur-

ing pregnancy; infections in the infant which affect the central nervous system; trauma or injuries to the brain during birth or shortly after; disorders of metabolism, growth or nutrition, some of which are genetically determined; and abnormal growths occurring within the central nervous system.

Certain clear-cut forms of organically determined mental retardation exist among the severely retarded individuals, who constitute a large proportion of the institutionalized retarded. Causes of their severe retardation include inherited chromosomal abnormalities, congenital malformation, perinatal and postnatal brain injury, and single-gene defects. In the less severely retarded there is a large incidence of prematurity and complications of pregnancy.

Partial understanding of these factors has already provided the means to prevent and correct some forms of mental retardation. For example, some congenital metabolic disorders which, if untreated, can cause toxic effects on the brain, can be managed by special diets. Cretinism, a congenital deficiency of the thyroid hormone, can be treated by injection of thyroid hormone. Kernicterus, a brain-damaging form of infantile jaundice, now can be prevented in a large percentage of cases by exchange blood transfusion. Therapy is now available for many infections which, if untreated in pregnancy or during early infancy, can lead to retardation. Also, surgery can correct some cases of structural defects such as premature fusion of the skull bones and enlargement of the head due to the accumulation of fluid within the skull (hydrocephalus).

Although these are important advances, the essential cause of retardation remains unknown in the majority of instances. Therefore, the Institute is sponsoring research in a wide range of disciplines to achieve greater understanding of causes, prevention, and treatment of brain-damaging disorders in children and adults.

INSTITUTE'S VARIED APPROACHES TO SOLVING THE PROBLEM

This fiscal year the Institute will have spent approximately \$15 million to support a broad-based program of research study in mental retardation and other chronic neurological disorders of children. This program is helping to strengthen many branches of medical science, including biology, biochemistry, genetics, anatomy, pathology, pediatrics, and clinical medicine. A summary of the Institute's varied approaches to understanding the role of organic factors in producing retardation, and some representative research developments, follows:

Collaborative perinatal project.—Why do so many pregnancies, an estimated one out of five—fail to produce a living healthy child? Why do millions more suffer from some congenital defect or other handicap caused by damage to the brain or nervous system? To answer these questions fully, scientists need to have the broadest possible understanding of the numerous factors operating before, during, and soon after birth that can damage the developing brain or nervous system.

Detailed, objective information about events or conditions in the perinatal period—from conception through early life—is being obtained by the Institute's collaborative (perinatal) project, a prospective study of 50,000 pregnant women and their offspring at 15 medical centers across the country. In seeking to learn more about how the perinatal period influences a child's development, the collaborative project program, now in operation 4 years, collects and uniformly records information on many factors—environmental, biological, genetic, psychological—affecting expectant mothers which might possibly have a bearing on congenital defects and disorders in their children.

As of October 31, 1962, some 30,500 pregnant women were enrolled in this project. Based on the present enrollment rate, the goal of 50,000 study mothers should be reached early in 1965.

Clues to origins of prematurity, perinatal fetal mortality, and neurosensory defects have begun to emerge from this project in which teams of physicians and allied scientists, nurses, and specially trained lay persons are participating. For example: A series of studies undertaken to investigate the role of infections in perinatal damage disclosed that symptomless urinary tract and other infections in the mother could cause premature birth—an important cause of retardation. Another analysis revealed an association between anoxia (oxygen lack) at birth and the child's abnormal psychological performance at 8 months.

It is well known that viral disorders can attack the fetus in early pregnancy, producing injury and interfering with normal development. Infectious diseases

such as syphilis, rubella (German measles), and toxoplasmosis are recognized for their harmful effect on the unborn child's developing nervous system. The possible connection between other viruses and fetal damage needs to be established. One obstacle in attempting this is that some viruses produce few or no symptoms in the mother but may attack the fetus because it serves as a more suitable medium for growth than does the adult system.

A step toward solving the problem of identifying which virus may have injured the fetus was taken with the introduction of the blood-sampling phase of the collaborative project. The serum center of the project stores mothers' blood serum at low temperature for future testing of evidence of exposure to certain viruses during pregnancy. If a mother has been infected, this fact will be indicated by a greater number of antibodies in her blood. Should any abnormalities appear in infants, months or even years after their birth, scientists will be able to check the maternal blood for clues to possible infectious factors present at the time of birth. More than 100 reference standards have been developed for this serum testing program.

A dramatic and major research advance in virology during 1962 was the isolation and cultivation of the German measles or rubella virus, which can cause irreparable brain damage to a baby if contracted by the mother in early pregnancy. Joint efforts of scientists at the Neurology Institute and the National Institute of Allergy and Infectious Diseases contributed to this achievement which should accelerate the development of a preventive vaccine. Their work confirmed and extended the methods and findings of scientists at Harvard University and Walter Reed Army Institute of Research. The importance of a vaccine is emphasized by a recent report that birth defects occur in some 50 percent of live-born babies whose mothers had rubella during the first month of pregnancy and in about 20 percent of infants whose mothers were infected during the first 3 months of pregnancy.

The importance of understanding viral infection during pregnancy is also underscored by studies outside the project. Last year one such study produced more conclusive evidence indicating that the common herpes simplex virus can be transmitted from an infected mother-to-be to her unborn child, who may consequently die before or shortly after birth or be born with brain damage or other abnormality.

A human organ which is vital in its function to the developing baby, but about which relatively little has been known, is the placenta. This structure within the uterus provides for the efficient and essential exchange of materials between mother and fetus. Although disturbances in the functioning of the placenta can have a marked effect on fetal development, our knowledge of the anatomy and role of the placenta as the medium for maternal-fetal exchange is still incomplete. The project, therefore, is concentrating on the role of placental physiology and pathology in pregnancy outcome.

The collaborative study also is developing precise methods for evaluating the newborn and young child neurologically, physically, and psychologically. Such methods are contributing to the early recognition of abnormal motor and mental performance. Two films produced for the project portray detailed neurological examinations of the newborn and 1-year-old child. Both films have a demonstration and teaching value to medical schools, pediatricians and other practitioners, public and voluntary health agencies, and many other individuals and organizations from whom hundreds of requests for showings have been received.

Project scientists have developed some new methods for early detection of brain damage and for measuring brain maturation at birth. Studies reported by one of the collaborating institutions this year are demonstrating that routine electroencephalograms of newborn babies can be valuable for this purpose.

Other studies of problems of the perinatal period.—A major research center in the Western Hemisphere where primate studies are shedding light on the developing brain and nervous system is the Institute's Laboratory of Perinatal Physiology in San Juan, P.R. Since rhesus monkeys and humans possess similar reproductive processes and nervous systems, scientists are hopeful that this primate testing ground will help to clarify some of the obscure areas of the pregnancy process.

Investigators have found that infant rhesus monkeys subjected to controlled asphyxia and resuscitation at birth developed various degrees of neuromotor and behavioral handicaps, including symptoms of mental retardation, cerebral palsy, epilepsy, and deafness. From these studies the evidence strongly indicates

that anoxia occurring near the end of the gestational period can cause permanent damage in the primate brain.

The facility in Puerto Rico offers a unique opportunity for outstanding scientists from many parts of the world to conduct research on the prenatal causes of brain defect. Already many scientists from Europe, from South America, and from various medical centers in the United States have projects underway at the perinatal laboratory.

Although newborns have demonstrated capacities for tolerating oxygen deprivation, knowledge of the resulting effect on the brain or other tissues of anoxia survival is incomplete. Experimental evidence is accumulating in the Puerto Rican laboratory and elsewhere that infants can survive anoxia only at the cost of injury to the developing brain. In this connection, a study by Institute grantees reports experiments demonstrating that newborn rats and mice deprived of oxygen showed ability to survive anoxia until adult life; however, examination of their cerebral cortex indicated injury which inhibited proper development of nerve-cell fibers (dendrites). Investigators suggest that these experimental studies with rodents may have implications concerning the sensitivity of the human cortex to anoxic injury.

Other researchers also reported experiments which revealed inhibition of maturation and growth of nuclei in young nerve cells, suppression of protein syntheses, and stunting of dendrite growth as a result of lack of oxygen.

Grantee studies this year add to the prospect for preventive efforts against damaging effects of asphyxia. These studies with guinea pigs suggest that lowering the body temperature may be helpful in treating newborn babies suffering respiratory distress because of sedatives taken by the mothers during the birth process. The lower body temperature acts as a protective mechanism by temporarily reducing oxygen requirements until the infant's breathing mechanism can function properly.

Prevention of prematurity, a large factor in brain damage and infant deaths, is also basic to lessening the risk of retardation. Among surviving infants, prematurity can be associated with varying defects ranging from minor neurological impairments to severe intellectual damage. The effects of extreme prematurity are especially deleterious. A study reported this year by Institute grantees of the obstetrical backgrounds of over 700 children afflicted with cerebral palsy compared to normal children reinforces findings that extreme prematurity is an important factor in the cause of this disorder.

Problems of nutrition, infection, and jaundice are being investigated in present studies of the causes of brain damage. Greater knowledge of these areas will aid in reducing infant mortality and injury. Blood-type incompatibility (Rh factor) accounts for a large proportion of cases of neonatal jaundice. New findings concerning treatment of Rh disease in newborn may help prevent brain damage. An investigation of jaundice in premature infants revealed that jaundiced babies with respiratory difficulty tend to have high serum concentrations of bilirubin and are more likely to require exchange blood transfusions to survive than are jaundiced infants without respiratory difficulty.

Moreover, the albumin in the umbilical cord blood of infants with Rh disease was found to have a lower bilirubin-binding capacity than normal infants. This finding suggests that it might be advantageous to add concentrated human serum albumin to donor blood used in exchange transfusion, thus increasing the albumin level and binding capacity of the baby's serum.

Because mental function can be affected by such a variety of forces that operate during the developmental period, the Institute has been sponsoring investigations to learn more about the effects of brain-damaging factors in childhood. A new test developed this year makes it possible to identify early or mild cases of lead poisoning—a cause of brain damage—not detected by the usual determinations of lead in urine.

An Institute study which attempted to relate mental development to the various characteristics of epileptic seizures showed there is a significantly higher incidence of mental retardation in children with frequent minor epileptic seizures as compared to those with less frequent major attacks. This evaluation is based on a 4-year followup clinical and laboratory study of 110 children whose epileptic attacks were first investigated when they were under 2 years of age.

Studies in the pathology of brain tissue represent another technique that may ultimately bear on the problem of mental retardation. Institute scientists and grant-supported investigators are seeking clues, through post mortem exami-

nations, to the exact stage when the maldevelopmental process began and to the location and severity of tissue destruction. Such knowledge, when correlated with clinical observations and patient histories, can help identify previously unrecognized organic causes of mental retardation.

Studies of genetic factors.—A research approach with exciting preventive implications is the discovery within the past decade of a dozen or more genetically determined mental deficiencies transmitted by one or more genes. In these gene-controlled abnormalities, an absent or abnormal enzyme disrupts the normal metabolic sequence, with the biochemical result either in the absence of an essential material or the accumulation of a substance in toxic amounts.

New research techniques have facilitated early detection and treatment of some of these heritable metabolic deficiencies, as in phenylketonuria (PKU), galactosemia, maple syrup urine disease, the blood group incompatibilities, and others. Discovery of other inborn metabolic abnormalities will aid in understanding the nature of additional forms of mental retardation and may lead to treatment. Biochemical studies of the brain, including inborn errors of metabolism, therefore play a prominent role in the Institute's total research effort. Over 30 projects related to inborn errors of metabolism alone are being supported as a part of the Institute's mental-retardation research.

Galactosemia is one of the biochemically caused forms of mental retardation that can be controlled by an early galactose-free diet in the newborn. Otherwise, if galactose, a sugar in milk, remains in the infant's diet, one result is irreparable mental retardation. This year a significant research step toward preventing some cases of galactosemia was reported by scientists of this Institute and of the National Institute of Arthritis and Metabolic Diseases. Their investigations have shown that the newborn of rats who were fed galactose-rich diets have typical galactosemic syndromes. These studies suggest the importance of a galactose-free diet for pregnant women who have had one child with galactosemia and who are thus known to be prone to have a second galactosemic fetus.

We know that some cases of retardation may be linked with abnormalities of chromosome structure or number, Down's syndrome (mongolism), for instance. In other cases, the defect appears at a more basic molecular level and is manifested in a biochemical abnormality which impairs the normal body processes. From the Institute's laboratory of molecular biology established this year, may come a better understanding of the genetic and biochemical processes which give rise to abnormalities that can cause mental defects.

Progress in basic research is providing clinical methods that can help banish some biochemically induced forms of mental retardation. Consider phenylketonuria (PKU), a congenital metabolic fault which damages the brain by storing excessive amounts of phenylalanine in the blood. A special phenylalanine-free diet can prevent this complication, provided that high blood levels of the damaging substance are detected in the infant early enough.

An Institute grantee devised a simple and inexpensive test for determining the presence of high levels of phenylalanine. This test is now being applied to a mass screening program sponsored by the Children's Bureau, involving 400,000 babies, as part of regular hospital routine regarding newborn infants.

Early rewards of this PKU detection program are suggested by the findings of one State alone, which announced recently that three children have been saved from severe mental retardation by this method. With less than 8,500 tests performed, the findings of three cases indicates that the previously estimated incidence of PKU of 1 in 20,000 may be too low.

Research Center approach to problem.—A medical challenge so broad in scope and effect as mental retardation requires a large-scale attack. It takes many disciplines, a multiplicity of skills and techniques, and a variety of programs to mount such an effective attack. An excellent atmosphere where research can run a wide gamut, from laboratory investigation to clinical observation, and where teams of scientists can pool their ideas and exchange knowledge, is the research center. Research centers permit a broad, coordinated, and followup approach to a problem as multifaceted as retardation.

As part of its awards program to accelerate neurological research for long-term projects that require a multidisciplinary attack, the Institute is supporting a research center established at the Albert Einstein College of Medicine. The broad scope of research planned for this center covers the biological, behavioral, and social mechanisms and consequences of brain damage and defective brain development in children.

A future goal is to establish other research centers for the study of children with neurosensory defects.

Research training programs.—The real key to the fullest ultimate success of Institute-sponsored programs and projects lies in an adequacy of skilled professional manpower. Progress in overcoming chronic disorders such as mental retardation depends heavily on utilizing the talents and skills of investigators and teachers in numerous disciplines and specialty areas. For this reason the Institute supports programs to meet a variety of research training needs in the basic and clinical sciences.

This year the Institute supported 11 special training programs in pediatric neurology, providing advanced research training for 21 trainees.

In addition, the Institute made 10 research awards to scientists seeking further training in areas closely related to mental retardation research. Also, Institute grants have made it possible for some investigators who already have established a career to further their training and enlarge their experience. One such career development award was made to a grantee in pediatric neurology, where a real need exists to diagnose and treat signs of abnormal development as early as possible.

The Institute is supporting research in 25 foreign countries, in recognition of special opportunities outside the United States for discovering needed medical knowledge. In mental retardation a number of foreign projects supported by the Institute relate to promising discovery areas. These include studies in the genetics of mental retardation and other organic disorders of the central nervous system, metabolism, and biochemistry of neurological disorders, and adverse biological influences operating in the perinatal period. Among grants made for new projects initiated during the year were those forming a part of a collaborative study of chromosomes, an area of research importance to retardation.

International exchange of research approaches and ideas is also stimulated through paired grants which simultaneously utilize the resources and skills of one institution in the United States and another in a foreign country. In this group of grants the grantee institution in the United States serves as the initiator of the grant; the role of the foreign grantee institution is to complement the program and supply needed facilities and talents, and at times to conduct similar studies with different populations. Such paired grants usually provide for an exchange of research personnel.

Several of the paired grants are for studies which seek to understand factors that influence pregnancy outcome. One is for a cooperative study by a leading U.S. medical school in conjunction with several outstanding European investigators to do a cooperative study of blood groups and chromosomes. The discovery of a chromosomal abnormality (an extra chromosome No. 21) associated with mongolism was first demonstrated by one of these foreign investigators. Other studies in medical genetics which paired grants are facilitating may open additional new vistas in mental retardation research.

Implications for the worldwide exchange for scientific data are also suggested by the number of inquiries and visits to the United States made by foreign scientists interested in the collaborative perinatal research study. Recently an Institute representative served as advisor to a group of scientists interested in a five-nation collaborative perinatal project similar to the Institute's. The results of such a study could be of great advantage to all investigators of maternal and child health, here and abroad.

In still another way the Institute is helping to highlight worldwide interest in the research opportunities and challenges presented by mental retardation. Through an Institute grant to the World Federation of Neurology, a program to generate research interest in the biochemical sciences—including the study of causative factors associated with mental retardation—is underway.

OUTLOOK FOR FUTURE PROGRESS IN THE ATTACK ON RETARDATION

The interplay of an inherited nervous system, its modification or damage by prenatal or postnatal injury or disease, and deprivation of environmental opportunity as major factors causing intellectual deficits is generally recognized. However, science must enlarge and refine its knowledge of the nature of the defects which each of these factors may contribute to abnormal human development. Progress in these areas will aid greatly in improving the treatment, care, and education of the retarded. Moreover, the ultimate objective of prevention can best be achieved by a clearer understanding of all the interacting factors which can impair mentality.

Institute scientists and those at grant-supported institutions, and other investigators in important research projects, are applying increasing resources to understand the varying influences on mental development and to gain insight into causes of retardation. Working in numerous and diverse disciplines, investigators, in the United States and abroad, seek to learn more about specific facets in such major challenging fields as genetics, biochemistry, neurophysiology, biology, epidemiology, virology, and pediatric neurology. From these and other pathways of research will come further progress in understanding causes of mental retardation and adopting methods of prevention.

In the final analysis, however, if the incidence of mental retardation is to be reduced significantly, we must focus our attention on improving the general health of our population, on seeing that a larger percentage of all pregnant women receive adequate prenatal care, and on studying and modifying those social patterns which have an unfavorable impact on intellectual development.

DIVISION OF CHRONIC DISEASES

The Neurological and Sensory Disease Service program, Division of Chronic Diseases, Public Health Service, was established in January 1962 with responsibilities including mental retardation activities. Specifically, the program is charged with the stimulation and support of community services which will apply medical knowledge to the problems of mental retardation. The program is accelerating activities in this area in response to recommendations of the President's Panel on Mental Retardation. Comprehensive program planning is underway during 1963 to implement mental retardation activities in succeeding years on a priority basis.

The mental retardation activities, highlighted below, which the program has already underway and proposed for 1964, are consonant with the recommendations of the President's panel.

Major problems in mental retardation and other neurological and sensory diseases include the multiplicity of interests and services now existing and the shortage of highly specialized service personnel, both in terms of absolute numbers and geographical distribution. In order to help remedy these difficulties and to increase the effective sphere of activity of specialized personnel in this field, the program has developed a general approach for which specific proposals are evaluated and supported. An initial and primary interest of the program, therefore, is the development of a comprehensive approach to these problems, in place of the fragmented activities which so often exist. To foster this comprehensive approach, State health departments and major medical centers are being encouraged to survey problems and needs in this area and to develop comprehensive plans to meet these needs. Great interest has been manifested by States and medical centers in this activity and a substantial beginning has been made for this purpose through planning grants.

Applied and clinical research in the prevention of retardation is being vigorously stimulated. Grant support has already been given several projects to evaluate various methods of determining phenylketonuria in infants. Consideration is being given to supporting other projects which will evaluate application of the techniques of echoencephalography, screening with brain waves for various neurological disorders including brain damage and mental retardation, and multiple biochemical tests for early detection of inborn errors of metabolism.

A major activity which is being given greater emphasis in 1964 is the fostering of expanded and improved community services to deal with neurological and sensory diseases, particularly mental retardation. Grant support is available to stimulate the development, expansion, or improvement of community activities to identify and meet the problems of neurological, visual, and communicative disorders. These programs include the preventive, diagnostic, treatment, and rehabilitative aspects of these disorders and may also include patient services, population screening, demonstrations of techniques to health personnel, the establishment of referral and other management procedures.

In 1964, funds have been requested to support two mental retardation demonstration centers for community service and training.

The demonstration community service center will be located in a large medical center which has strong neurological, psychiatric, and pediatric departments. The medical center will already have demonstrated an interest in mental retardation, and have good working relationships with community agencies and

State institutions. Mental retardation clinics within the outpatient department of the center will be strengthened and expanded as a focus of service and consultation on the diagnosis and treatment of patients referred from physicians, hospitals, and community services.

The demonstration training center will demonstrate and make available a broad program of training for physicians and other health personnel dealing with problems of the mentally retarded. Such a center will be located in a large medical center which has strong departments of neurology, psychiatry, and pediatrics; accredited training programs in medical and related areas such as psychology, social work, nursing, etc.; and good working relationships with State institutions. The center will have a broad service program which would include sufficient cooperative activities with community groups to provide appropriate training experiences.

During 1964, the program will continue to stimulate and support projects to assist medical centers and State and local agencies in improving and expanding mental retardation activities. For example, States are encouraged to undertake surveys to determine the extent of their neurological and sensory disease problems, the availability of service facilities, personnel, and other resources, and to develop plans to meet needs that are identified. Mental retardation is an integral part of these projects. In 1962, seven State health departments initiated these planning projects. Additional State survey projects will be supported during 1963 and 1964.

Medical centers, in association or cooperation with other interested institutions and agencies, are encouraged to develop projects that provide a comprehensive approach to community neurological and sensory disease needs, including mental retardation. These projects involve training of health personnel, diagnostic and patient management services, and applied research. During 1962, three institutions received grants to plan such projects, and additional applications are being considered during 1963. It is anticipated that four to six of these projects will be in operation by 1964.

This program is also providing support for the training of physicians and other health personnel to provide services for the neurological and sensory disabled as well as for the mentally retarded. A comprehensive training program has been initiated to provide institutional training grants, individual traineeship awards, short-term training grants, and special project grants for curriculum development, manpower utilization and for developing teaching techniques. Support is also available for stipends and other necessary training expenses.

In line with recommendations made by the President's panel, individuals professional competent in the field of mental retardation are included among the members of the advisory group of nonprogram personnel which has been established.

DIVISION OF DENTAL PUBLIC HEALTH

The Division of Dental Public Health and Resources has long been concerned with the limited dental services available to the chronically ill, aged, and handicapped in our population. In spite of the large numbers of individuals in these special groups, basic information on the extent of their dental needs is limited, dentists are often reluctant to provide care in these cases, and mobile dental services are seldom available.

Efforts to identify the dental service needs of chronically ill mental patients were initiated in a study at the Nevada State Hospital, Reno, Nev., in 1957. A second project was initiated in 1958 at the West Virginia State Hospital, Huntington, W. Va. Some data was obtained on the dental service needs of mentally retarded adults incidental to these studies.

In 1961 a portion of the Division's appropriation earmarked for studies on dental care for the chronically ill, aged, and handicapped was utilized to initiate demonstration projects of community dental care programs for handicapped children. One project in the State of Idaho included a small proportion of mental retarded children. The second project in the State of Illinois was divided equally between mentally retarded children and children with various other handicapping conditions.

Three additional projects for the handicapped were added in 1962. A program in New Jersey, which included the mentally retarded, emphasized the training of dental students and private practitioners in the care of the handicapped. A small study in the District of Columbia was devoted entirely to determining

needs, amenability to care, and personnel requirements for treating the mentally retarded. The final project in St. Louis, Mo., was a demonstration of a hospital-based community program for all types of chronically ill, aged, and handicapped with approximately one-half of the study population being mentally retarded children.

The care programs in Idaho, Illinois, New Jersey, Missouri, and the District of Columbia are continuing in 1963. Preliminary findings strongly indicate the feasibility of this approach to providing dental services to the mentally retarded who are not confined to institutions, e.g., including the mentally retarded in organized community programs for handicapped children. It is clearly a responsibility of this Division to promote the establishment of such programs throughout the United States through demonstrations, consultation, and technical assistance.

Much information is still needed on the prevalence and incidence of dental diseases and the need for care in the mentally retarded. Dental care must be viewed as an essential component of complete health service for these individuals. The projects in Idaho, Illinois, and New Jersey will be completed during 1964 and funds thus available will be utilized to conduct studies specifically designed to provide information on the dental problems of the mentally retarded. It is proposed to initiate a study in an institution for the mentally retarded which will provide this basic information and also supply data needed to promote the establishment of effective programs to improve the oral health of institutionalized mentally retarded persons.

CHILDREN'S BUREAU

The Children's Bureau concern for mentally retarded children stems initially from its responsibility under the Basic Act of 1912 to "investigate and report on all matters pertaining to the welfare of children and childlife." In the first 6 years of its existence, three of the major studies produced by the Bureau dealt with mental retardation.

The passage of the Social Security Act in 1935 and the assignment to the Bureau of the added responsibility of administering Federal grants for maternal and child health, crippled children, and child welfare services, emphasized the principle that all of the people of the United States, through the Federal Government, share with the State and local governments responsibility for helping to provide community services that children need to have for a good start in life. The Social Security Act also afforded the Bureau an opportunity to help the States develop demonstrations and special programs in areas where there were gaps in services.

MATERNAL AND CHILD HEALTH SERVICES

As recently as 1954, maternal and child health activities in behalf of mentally retarded children and their families were extremely limited. Many local public health nurses were reporting suspected mentally retarded children in their caseload, but for the most part they had few or no resources for establishing a diagnosis. Consultation and guidance as to how to deal with these children and their families generally were not available. Some children who were functioning below the normal expected level of development were being followed in well-child conferences, but adequate developmental and diagnostic appraisal was not generally available, nor was continuing guidance to parents once such a diagnosis had been made.

Testimony before the House Appropriations Committee in 1957 indicated that the principal needs for the mentally retarded were to find these children early, to provide a complete evaluation, to interpret the findings to parents, and to use the findings as a basis for ongoing help and care. By age groups, the greatest gap in available services was in relation to infants and preschool children. It appeared that these services that were lacking could best be provided through program emphasis within the framework of the maternal and child health program. The basic interests of this program, that is, preventive health services, child health supervision, growth and development, and the fostering of good parent-child relationships are also the basic interests of a program for mentally retarded children.

It was on this basis and to achieve these goals that the Congress for fiscal year 1957, increased the annual maternal and child health appropriations and earmarked \$1 million specifically for special projects serving this group of children. The Appropriations Committee also expressed the hope that a second million dollars of the increase which was to be distributed to the States on a regular formula basis would be used to implement services for the mentally retarded.

HOW STATES HAVE USED THESE FUNDS

The State health departments have been making use of these funds to establish demonstration programs centering about child health supervision and the problems in growth and development of children who are retarded or suspected of being retarded. By the end of fiscal year 1957, 25 State health departments had established such demonstration projects utilizing the \$1 million of earmarked funds. This number rose to 30 States by the end of fiscal 1959 (utilizing more than the earmarked \$1 million). In addition to this, there were 14 States at that point which, in response to the expressed wishes of the Appropriations Committee, made use of the increased maternal and child health funds to develop similar demonstrations as a part of the regular program. By the end of fiscal 1960, special project demonstrations of services for mentally retarded children were in operation in 52 States and territories (31 States utilizing earmarked and reserve B funds plus 21 States utilizing regularly allotted maternal and child health funds).

The increase in activity and use of these funds following fiscal 1960 is reflected chiefly in terms of the multiplication of clinical programs in the States. Thus between 1960 and 1963 there was a 33 percent increase in the number of these special clinics in this country.

SERVICES TO CHILDREN AND THEIR FAMILIES

Reports from selected States and territories providing special clinical services indicate that currently over 16,000 mentally retarded children and their families are being served. Service statistics from selected States for the period 1958-61 are given in the following tables:

Cases under care, by type and disposition: Reporting States, 1958-61

Item	Average annual, 1958-61	1958	1959	1960	1961	Percent change, 1961 over 1958 ¹
Cases under care, total:						
Number.....	10,757	6,841	9,061	11,541	15,585	+127.8
Percent.....	100.0	100.0	100.0	100.0	100.0	-----
Type:						
New cases admitted to service:						
Number.....	5,899	4,936	5,401	6,180	7,080	+43.4
Percent.....	54.8	72.2	59.6	53.5	45.4	(-26.8)
Carried over active from last year:						
Number.....	4,282	1,710	3,222	4,702	7,495	+338.3
Percent.....	39.8	25.0	35.6	40.8	48.1	(+23.1)
Reopened cases:						
Number.....	576	195	438	659	1,010	+417.9
Percent.....	5.4	2.8	4.8	5.7	6.5	(+3.7)
Disposition:						
Cases closed, withdrawn or otherwise terminated:						
Number.....	² 4,439	-----	3,917	4,326	6,220	² +58.8
Percent.....	41.3	-----	43.2	37.5	39.9	² (-3.3)
Carried over active to next year:						
Number.....	6,318	3,548	5,144	7,215	9,365	+164.0
Percent.....	58.7	51.8	56.8	62.5	60.1	(+8.3)
Number of States:						
Reporting.....	-----	37	38	40	43	-----
Providing services.....	-----	44	44	46	45	-----

¹ Items in parentheses are percent of total cases under care in 1961 minus percent of total in 1948.

² Data not available for 1958. Annual average is based on 1959-61. Percent change relative to 1959.

Source of data: Mental Retardation Service Report Form CB-251-H.

*Number of applications for services, by type and disposition: Reporting States,
1958-61*

	Average annual 1958-61	1958	1959	1960	1961	Percent change 1961 over 1958 ¹
Applications total:						
Number.....	8,502	7,099	7,873	8,609	10,426	+46.9
Percent.....	100.0	100.0	100.0	100.0	100.0	-----
Type:						
Carried over from last year:						
Number.....	1,706	1,123	1,788	1,685	2,228	+98.4
Percent.....	20.1	15.8	22.7	19.6	21.4	(+5.6)
New applications:						
Number.....	6,796	5,976	6,085	6,924	8,198	+37.2
Percent.....	79.9	84.2	77.3	80.4	78.6	(- .6)
Disposition:						
Applicants admitted to service:						
Number.....	5,880	4,936	5,401	6,180	7,001	+41.8
Percent.....	69.2	69.5	68.6	71.8	67.1	(-2.4)
Applications withdrawn:						
Number.....	683	632	644	700	755	+19.5
Percent.....	8.0	8.9	8.2	8.1	7.2	(-1.7)
Applications carried over to next year:						
Number.....	1,940	1,531	1,828	1,729	2,670	+74.4
Percent.....	22.8	21.6	23.2	20.1	25.6	(+4.0)
Applications carried over per 1,000 ad- missions.....	329.9	310.2	238.5	279.8	381.4	+23.0
Number of States:						
Reporting.....		37	38	40	43	-----
Providing services.....		44	44	46	45	-----

¹ Items in parentheses are percent of total cases under care in 1961 minus percent of total in 1958.

Source of data: Mental Retardation Service Report Form CB-251-H.

Percent distribution of new cases admitted to service, by age reporting States, 1958-61

Age group	Percent distribution							
	1958-61		1958		1959		1960	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age reported:								
Under 1 year.....	635	2.9	119	2.8	116	2.3	143	2.4
1 to 4 years.....	6,425	29.4	1,211	27.9	1,440	28.9	1,840	31.2
5 to 9 years.....	9,599	43.9	1,909	44.0	2,211	44.4	2,593	43.9
10 to 14 years.....	4,259	19.5	916	21.1	1,007	20.2	1,015	17.2
15 to 17 years.....	691	3.2	146	3.4	158	3.2	207	3.5
18 to 20 years.....	250	1.1	35	0.8	48	1.0	105	1.8
Total.....	21,859	100.0	4,336	100.0	4,980	100.0	5,903	100.0
Age not reported.....	1,738		600		421		277	
Total.....	23,597		4,936		5,401		6,180	
Number of States:								
Reporting.....			37		38		40	
Providing services.....			44		44		46	

Source of data: Mental Retardation Service Report Form CB-251-H.

The services provided include diagnosis, evaluation of a child's capacity for growth, evolving together with the parents an individual plan for continuing care and supervision.

The nucleus of the demonstrations usually is a specialized clinical team. This team would include a pediatrician who is usually the medical director of the project, a psychologist, a medical or psychiatric social worker, public health nursing services, and in some clinics, a child development specialist, a speech therapist, and a nutritionist. Other medical consultants such as psychiatrists as well as other nonmedical specialists are used as needed.

These demonstration projects have not only provided a needed service to retarded children and their parents, but have also allowed the States to demonstrate to local communities how a program might be set up, how cases can be located early, what makes up an evaluation, what kinds of help can be provided to these children and their families. The accumulation of case data and experience by the group of specialists has also made it possible for these groups to pinpoint other gaps and unmet needs in the State.

While these service figures reflect a 127-percent increase in the number of children and their families served, they also reflect a 74-percent increase in requests for service which could not be met by the existing staff of these programs.

TRAINING OF PERSONNEL

Most important of all in a field where there is a real lack of trained personnel, these demonstration projects have been serving as training and orientation centers for a variety of professional workers. For example, 14 of the projects are set up in conjunction with medical schools. While these projects are providing services to children, they are using these services as a base in the teaching and training of medical students, interns, residents, and nurses. Annual reports from these 14 projects indicate that during the average year they train approximately 1,500 second-year residents and medical students, 200 nurses, 300 teachers, and provide fieldwork placement and supervision for approximately 30 social work students. These 14 programs alone are annually providing approximately 2,520 hours in training of professional personnel of various kinds.

Most of the programs are using the services to retarded children to provide in-service training for health department personnel and personnel of other State agencies and institutions. For example, it is estimated that almost 90 percent of the 28,000 public health nurses have received some in-service orientation and education to the problem of mental retardation through this program.

PROGRAM RESEARCH

A number of the projects were primarily set up to study or evaluate a particular phase of mental retardation or aspect of service. Some of the areas included in these projects were:

- (1) Study of the services a metropolitan area needs for the mentally retarded and an assessment of how these services can be provided.
- (2) Evaluation and study of the use of a traveling clinic to provide services to the mentally retarded over a broad area.
- (3) Study of recordkeeping and evaluation of patients in an on-going program.
- (4) Assessment of how to provide services in a rural area.

As the projects have developed, however, almost all have undertaken particular studies as a part of carrying out their major functions. A number of projects providing training have studied attitudes of medical students toward the retarded in an effort to facilitate their approaches in a teaching program. Additional areas studied and reported on by these programs include dental problems, problems of mental retardation as reported in populations of Indian children living on reservations, waiting lists of children for admission to State institutions, and studies of the growth and development patterns of young retarded children.

APPLICATION OF PUBLIC HEALTH METHODS TO PREVENTION

A major emphasis within the past few years has been the development of a large-scale program of screening, diagnosis, and treatment of infants and families with phenylketonuria. This inborn error of metabolism has in the past been responsible for 1 percent of the population in our State institutions

for the mentally retarded. By detecting families with the condition and by placing young infants with the condition on a special diet, mental retardation can apparently be prevented. The Children's Bureau has been working with State health departments in developing various screening and detection programs as well as developing the necessary laboratory facilities and program for providing the diet and following its results. More than half of the States have set up complete screening and treatment programs for this condition.

Between 1956 and 1961, a total of 484 children with phenylketonuria were detected and placed under dietary supervision by these programs. More than half of this number were infants for whom treatment was started sufficiently early so that hopefully mental retardation can be prevented. For the remainder, where there may already be some damage, it is hoped that the test can be carried out in the newborn nursery before babies leave the hospital. In most States this procedure can assure screening of almost 100 percent of newborn babies. The present field trials call for testing 400,000 newborn babies in 28 States. On the basis of the results it should be possible to determine how effective this screening procedure is and to what extent it can be utilized as a routine procedure on all newborn infants.

Results from screening 42,000 infants through the end of December 1962 have thus far resulted in the detection of seven confirmed cases of phenylketonuria in this group. These infants all came from families in which there was no known retardation or previous case of PKU. The chances are that most of them would not have been suspected of having the condition until some symptoms or damage showed itself.

The achievements of this program from 1957 to date can be summarized as follows:

Forty-nine States and three territories have initiated special program activities on behalf of the mentally retarded as a part of their maternal and child health programs.

Forty-six States are providing clinical services to mentally retarded children and their families living at home.

One hundred and six special clinics for mentally retarded children and their parents have been developed in this country. Seventy-one are being supported through this program.

Over 25,000 public health nurses have received some training or orientation in mental retardation and in assisting families in the home care of mentally retarded children.

Fourteen medical schools are using the special clinical services to retarded children as the basis for training of medical students, residents, and interns.

Approximately 2,520 hours of professional time from project staffs are made available each year for training of students.

Approximately 1,500 second-year residents and medical students are annually exposed to newer concepts of mental retardation through these projects.

More than 30,000 children have been given complete evaluation and followup care. Currently over 15,000 children a year are being served.

Public health methods of screening, detection, and prevention of mental retardation in the condition of phenylketonuria, an inborn error of metabolism have been evolved.

Twenty-six States have set up programs for the detection and treatment of phenylketonuria utilizing these methods.

Since 1957, 141 infants with phenylketonuria have been located, diagnosed and placed on a diet. Hopefully for these infants mental retardation will be prevented.

CHILD WELFARE SERVICES

The needs of retarded children are becoming increasingly acute as the pattern of life in our society becomes more complex. Retarded children today are confronted with greater difficulty in social adjustment; family stability is often threatened and communities must cope with expanded educational and behavioral problems.

Of the more than 2 million retarded children in this country, 96 percent live in the community, most of them with their own families, others in foster family or group care. These children—frequently clients of public child welfare agencies—present a wide range of emotional and practical problems to their families. Approximately 9 out of 10 retarded children, particularly those of mild intellectual deficits, are members of ethnic minorities, live under substand-

ard conditions, lack proper educational and cultural opportunities and are otherwise exposed to adverse environmental circumstances which cause their mental retardation, or at the very least contribute to their inadequate mental and social functioning.

As of March 1962, public child welfare agencies provided services to approximately 423,000 children. An estimated 10 percent of this group are mentally retarded. Nearly half were in foster care. Not included in these figures are significant numbers of retarded children in child caring institutions for dependent and neglected children, many of which are under private agency auspices. An indication of the severe shortage of child welfare services for retarded children is apparent when it is recognized that 56 per 10,000 of the total child population receive service and 120 per 10,000 of the child population—many of whom need and can profit from social services—are mentally retarded.

To meet this tremendous need, the Children's Bureau has directed its efforts in relation to child welfare services for retarded children and their families toward—

- (1) Investigating and reporting upon the effect of mental retardation on family life and the impact of environmental conditions on mental and social growth.
- (2) Identifying and interpreting the role of social agencies in services to the retarded and stimulating these agencies to assume their responsibilities.
- (3) Extending and strengthening basic child welfare services and establishing specialized resources and facilities as appropriate, with emphasis on prevention as well as treatment.
- (4) Increasing the knowledge and skill of child welfare and other social work personnel through inservice training, development of guide material, and enrichment of professional education experiences.
- (5) Stimulating research and demonstration projects in the social and behavioral aspects of mental retardation of significance to child welfare.

The Bureau has attempted to fulfill its responsibilities through the activities of its staff specialist on social services for mentally retarded children and through other regional and central office staff. Activities have included study and evaluation of needs, resources, and practices; dissemination of information; technical assistance and consultation; development of guide materials; planning and conduct of training and educational experiences. Consultation has been provided to other Federal agencies, national voluntary organizations and groups, State welfare departments, interdepartmental committees, community planning councils, schools of social work, institutions, and other agencies.

The impact of these activities on child welfare and other social agency programs is somewhat intangible and difficult to measure and document. Nevertheless, it is believed that Bureau leadership has contributed in part to some of the following developments:

- (1) Public and voluntary welfare agencies at National, State, and local levels devote increasing attention to the provision of learning experience in this subject area.
- (2) In approximately half of the States, preliminary steps to the development of statewide comprehensive programs for retarded children have been undertaken. Public child welfare agencies have participated in these steps including surveys and inventories, legislation, policy formulation, program planning, and methods for coordinating the programs of State departments and in local communities.
- (3) Child welfare workers in some communities provide services to families and children following diagnostic evaluation and in perhaps one-third of the States, assume responsibility for preadmission and aftercare services for children in institutions. This has facilitated the return of some retarded children to the community and has enabled more parents to keep their children at home.
- (4) Basic child welfare services, still in short supply, are nevertheless being increasingly extended to this group. Day care, counseling, and guidance, and specialized foster family homes are helping to relieve the burdens of families and contributing to the healthier growth of the children. The removal of some retarded children from damaging homes has greatly enhanced their mental development.
- (5) Schools of social work are becoming increasingly active in promoting greater knowledge of the needs of the mentally retarded through incorporation of content into the curriculum, sponsorship of training institutes, and develop-

ment of teaching materials. The number of schools offering field instruction placements in facilities serving the retarded has increased in the past 4 years from approximately 7 to more than 20.

(6) Child welfare agencies are recognizing a need for research and demonstration projects regarding the mentally retarded, and schools of social work have conducted some outstanding studies in this area.

(7) Growing concern and interest is being reflected in some States in programming for the retarded juvenile offender who frequently becomes a client of public child welfare agencies through the pathways of neglect or delinquency.

(8) Public responsibility for the development and financial support of day care centers to provide for care, protection, and social development for retarded children of preschool age or for the older child ineligible for public school attendance is growing. This responsibility is also being reflected in the development of pilot demonstration projects and in the stepped up efforts of States to strengthen the standards and licensing requirements of privately sponsored residential and day care facilities caring for retarded children.

(9) Church-sponsored organizations are assuming a more active role in identifying their contribution to services for the retarded child and in implementing plans for national action by their membership agencies.

To eliminate gaps in the provision of social services to retarded children, the Bureau plans to extend its help to States in 1962. Serious deficiencies exist in the standards of care provided in some institutions, and social services in these facilities need to be expanded and better coordinated with community resources. In addition, intensified efforts must be devoted to inservice training and professional education of social work personnel, to the broad aspects of community planning and organization and to the development of comprehensive State and local programs for retarded children.

RESEARCH AND DEMONSTRATION GRANTS

The Children's Bureau, under its recent authority to make grants for research and demonstration projects in child welfare, has recognized the need for additional knowledge and new programs in the social and behaviorial components of mental retardation. Of the projects received up to January 1963, roughly 15 percent are concerned with mental retardation.

Some of the projects approved to date include—

- (1) Training programs for preschool age severely retarded children.
- (2) Techniques of group psychotherapy with mentally retarded adolescents.
- (3) The use of homemaker services for preschool children as an alternative to institutionalization and to preserve family stability.
- (4) The effect of mental stimulation on children in culturally deprived, low-income families.

These developments represent the beginning phase of this aspect of the Children's Bureau program. It is anticipated that applications for projects in mental retardation for research, demonstration and for training as funds are appropriated, will increase as agencies and institutions of higher learning become more aware of this resource.

CHILDREN'S BUREAU PUBLICATIONS

The following publications have been produced by the Children's Bureau and are currently on sale by the Superintendent of Documents, U.S. Government Printing Office:

- (1) "The Child Who Is Mentally Retarded," CB Folder 43-1956 (23 pp.). Placed on sale November 29, 1956; cost per copy 10 cents. Number of copies distributed to February 1, 1963, 309,333.
- (2) "The Mongoloid Baby," CB Folder No. 50-1960 (20 pp.). Placed on sale September 12, 1960; cost per copy 10 cents. Number of copies distributed to February 1, 1963, 58,162.
- (3) "The Mentally Retarded Child at Home," CB Publication No. 374-1959 (99 pp.). Placed on sale February 13, 1959; cost per copy 35 cents. Number of copies distributed to February 1, 1963, 94,499.
- (4) "Phenylketonuria," CB Publication No. 388-1961 (28 pp.). Placed on sale June 1961; cost per copy 15 cents. Number of copies distributed to February 1, 1963, 62,284.

(5) "The Mentally Retarded Child—A Guide to Services of Social Agencies." This document is currently in the process of publication and will be available for distribution in March or April 1963.

A number of program aids such as a listing of clinical programs (5 editions with 10,000 distributed), and items of special interest such as "Management of Newborn Siblings with Phenylketonuria and Galactosemia" (5,000 copies) have been developed and distributed.

The Bureau has also been operating an exchange of educational materials as a service to the clinics. Within the past year, some 12,750 items have been distributed to the clinics through this exchange.

PLANS FOR THE FUTURE

An indication of progress to date is the successful establishment of clinical services for retarded children in most State maternal and child health programs. However, only a few States have opened more than one clinic, and these already have long waiting lists. An increase in the number of these clinics in each State is therefore essential. The number of retarded children will probably increase as a result of the increase in the child population and the increase in life expectancy.

During the next few years it is anticipated that the following developments will take place:

- Expansion of community programs for mentally retarded children to provide more diagnostic, evaluative, and preventive health services and social services.

- Continued emphasis on prevention of retardation through improved prenatal care, the care of premature infants and improved methods for the location, diagnosis, and treatment of infants with metabolic disorders which result in retardation.

- Greater use of the well-baby clinic for early casefinding and supervision.

- Development of standards and licensing for the growing number of nursery school and day-care programs for young retarded children.

- Increasing the availability of home assistance programs for parents in the home care of retarded children.

- Development of standards and programs for diagnosis, medical care, and health supervision for children in residential institutions.

- Development of specialized services for retarded adolescents.

- Continued emphasis in the detection of young children functioning on a retarded level by virtue of social and cultural deprivation and the provision of child welfare services aimed at prevention, planning, and treatment.

- Stimulation of research and demonstration projects that will contribute new knowledge and techniques in promoting the maximum development of retarded children through child welfare services.

- Greater activity on the part of schools of social work in enriching the educational experiences of students and practitioners in mental retardation and stepped-up staff development activities of child welfare agencies.

BUREAU OF FAMILY SERVICES

The Welfare Amendments of 1962 provide the opportunity and tools for emphasis on the problems of the mentally retarded and their families. Social service policy implementing this legislation included services to meet the special needs of the mentally retarded. These services will be subject to 75 percent Federal participation after July 1, 1963, and are optional with the States. Assistance to the States in developing the services specified, will be provided through consultation and guide materials.

Special attention will also be given to the problem of identifying children under 12, particularly preschool children, in AFDC caseloads who are retarded.

The Bureau continues to cooperate closely with the Children's Bureau in an effort to help State agencies identify AFDC children who are living in hazardous circumstances. In the definition of hazardous circumstances are included both retarded children whose parents are unaware of the child's problem or unable to deal with it and parents who themselves are retarded and cannot provide adequate care for children.

Future plans call for increased attention to the problems of AFDC families who have retarded children and methods of helping them with the special factors

involved. States also need to be encouraged to develop the special services and programs for the retarded who are leaving institutions and for the social rehabilitation of the unemployable retarded adult.

The extent of mental retardation among public assistance recipients is not known. Projections of data obtained in a study made several years ago of recipients of aid to the permanently and totally disabled suggest that the magnitude of the expenditure for public assistance payments in fiscal 1963 under that program alone will be about \$33 million. If the 3 percent ratio used by the President's Panel to estimate the number of persons in the general population who are mentally retarded is applied to all recipients of public assistance, the number of retarded persons receiving assistance would be estimated at about 200,000. It is not unreasonable to suspect that the number is somewhat higher, but there are no data on which to base an estimate.

In addition to financial assistance, such services as the following would be appropriate for and needed by many of the mentally retarded; personal, home, and money management; diagnostic and medical services; institutional or foster home care; legal service; self-care; self-support; education and vocational resources; and family counseling.

VOCATIONAL REHABILITATION ADMINISTRATION

REHABILITATION OF THE MENTALLY RETARDED

From the standpoint of the vocational rehabilitation program and the services it must render, the mentally retarded represent one of the very large disability groups which must be served. Furthermore, it is a problem that requires a great deal more time and study to provide the individual with the kind and degree of assistance he requires to provide for free and independent behavior or as near that goal as he can potentially fulfill.

This confronts the Vocational Rehabilitation Administration with the task of selecting and serving all individuals who are mentally retarded, yet who give promise of ultimate ability to attain total or partial vocational independence. On the basis of existing information it appears that potentially 75 to 85 percent of the mentally retarded can profit from the services offered by vocational rehabilitation agencies. This has in the past and may well continue to be tempered further by the relatively large number, about 50 percent, of the mentally retarded who in spite of educational limitations are socially adaptable and as a result succeed in getting along without difficulty at home, at work or in the community. These men and women, young and old alike, secure jobs and maintain themselves and their families without serious difficulty, except in periods of serious economic stress. Occasionally they require vocational training and rehabilitation later in life.

The principal immediate concern to the Federal-State program is the provision of services to a potential pool of retardates that are in the age group of 15 and over and who come from economically restricted households. This population group encompasses about 1 million retarded individuals, to which is added about 36,000 additional young men and women every year. Our task is to develop the Federal-State program to a point where such individuals can be assured of proper evaluation, training, job placement, adequately supervised leisure time, and opportunity to dwell in a home or near-home like environment during free time to insure the safety and the well-being of the retardate and the community.

No matter what the actual final count of the retarded may reveal, whether the number be more or less than of the 5.5 million estimated, we must be prepared and oriented to dealing with something close to 20 percent of the total number if vocational rehabilitation of the noninstitutionalized, trainable and educable mentally retarded is to reach anywhere near optimal service levels.

Over and above these goals, research and demonstration programs now underway will help us to expand these services to still another category of retardate. The 125,000 or more who are institutionalized, who may, at least in part, be made productive workers though not in the competitive market, and who may reach a level where they can lead much more satisfying and socially constructive lives. While our efforts will be no less concerned with these individuals, the task is likely to be much larger in duration and the results less immediate.

FEDERAL-STATE PROGRAM

Estimated number of mentally retarded rehabilitated by the State vocational rehabilitation agencies in fiscal years 1955, 1959-64:

Fiscal year ending June 30	Persons rehabilitated	
	Total	Mentally retarded
1955.....	57,981	531
1959.....	80,739	2,016
1960.....	88,275	2,937
1961.....	92,501	3,562
1962.....	102,377	4,458
1963.....	110,400	5,400
1964.....	126,500	7,500

The number of mentally retarded rehabilitated by the State vocational rehabilitation agencies continues to increase. Although in 1955, about 1 percent of the total number of rehabilitants were mentally retarded, as compared with 4 percent in 1962, this represents an increase of over 700 percent in 1962 in the number of mentally retarded rehabilitations over 1955.

It is expected that 7,500 will be rehabilitated in 1964 at an estimated expenditure of about \$5,400,000 in Federal funds in addition to State funds. These totals compare with the estimated expenditure of about \$3,550,000 in Federal funds in 1963 for the rehabilitation of 5,400 mentally retarded, and about \$2,800,000 in 1962 for the rehabilitation of 4,458.

In view of the national attention being focused on the problem and the increased interest of the general public, many of the State agencies have stepped up their programs of services to this disability group. In addition to assigning more specialized trained staff to handle these cases, many of the agencies have invested substantial amounts in the establishment of rehabilitation facilities and workshops in other public and private institutions which primarily serve the mentally retarded. One such agency reported an increase of over 500 percent in its number of mentally retarded rehabilitations over a 5-year period as a direct result of such an investment. Another agency reported a 70-percent increase in 1962 over the previous fiscal year. During the 1962 fiscal year, 21 States reported that vocational rehabilitation services for physically and mentally handicapped youths have been worked out with public and private school programs in order to help bridge the gap from the school to employment. Many of these youths are mentally retarded.

EXTENSION AND IMPROVEMENT PROGRAM

In 1962 there were nine extension and improvement projects to serve the mentally retarded. Over 15 percent of all the extension and improvement projects initiated since the beginning of this program in 1955 were specifically geared to serve this disability group. Where the activity was of continuing nature, it was usually absorbed under the regular vocational rehabilitation program after its expiration period.

RESEARCH AND DEMONSTRATION

The contribution of research and demonstration to the solution of vocational rehabilitation problems of the mentally retarded lies in five critical areas:

(1) *Vocational evaluation and training.*—This is a basic and complex area. It includes development of formal tests and operational methods for measuring psychological, social, and vocational capacities of individuals related to ability to benefit from services and to achieve vocational success. The entire range of vocational teaching and training methods, including the organization and procedures used in sheltered environments and other reality-based work trial programs, is included. Possibilities of using programmed teaching methods and audio visual methods in rehabilitation programs are rapidly expanding lines of research and demonstration of considerable promise. Besides the immediately practical improvements of rehabilitation methods, the data and theories devel-

oped by projects in this area should also contribute to basic understanding of the psychological and social functioning of the retarded.

(2) *Selective placement, followup, and job maintenance.*—This is another fundamental area directly related to No. 1. The area includes research on methods of restructuring job situations to stabilize the range of functions within the retardate's capacities and to provide supportive relations in the job situation and by organized followup from community sources.

(3) *Identification of family and social factors in rehabilitation.*—Previous research and clinical observation have produced general evidence that the motivation of the retardate for maximum use of his vocational and social capacities is profoundly related to his family training, parental expectations, and his relation to "critical" supportive figures. This process begins very early in the retardate's life and continues, at a minimum, for much longer than in normal cases. Little is known about the basic psychological structure of these relations, or which attitudes, relations, and activities within the family and immediate social environment are beneficial or destructive. This type of information has obvious implications for the entire rehabilitation process.

(4) *Coordination of rehabilitation and special education.*—The special nature and long duration required for an effective training process in retardation requires that special education and vocational rehabilitation be coordinated and simultaneous for those retardates in the general education system. This brings the preventive aspects of rehabilitation to bear on problems in individuals before school dropout takes place and at a time when the retardate usually has reached the limits of his capacity for academic work and can benefit from training in social adjustment and vocational functioning. This area includes the design and testing of programs of vocational counseling and work experience introduced directly into special education programs, and structuring and evaluation of combined vocational services and special education.

(5) *Organization of services in the community.*—Continuity of a variety of community services is the essence of effective, permanent rehabilitation for many retardates. This requires deliberate organization of community resources and the construction of detailed blueprints for joint, complementary action. Organization therefore emerges as an independent factor for research, development, and demonstration. Research includes development and testing of model systems of service to determine optimum contributions of resources by special education, public assistance, vocational rehabilitation, public health, various private agencies, and the family of the retardate. No studies of actual service operations have yet been done on a scale which would indicate the scope and quality of service which would be professionally effective and economically supportable. Such studies will provide the community matrix for using the more detailed techniques developed under 1-4.

The goal of the Vocational Rehabilitation Administration in advancing its program of services to the mentally retarded is based upon development of research and demonstrations in all five of these areas to the end that retardates may attain optimal self-security and independent action.

TRAINING PROGRAM

Funds allocated to the field of mental retardation would provide for a national conference to develop priorities and specialized curriculums to be utilized in the proposed training program. Three regional centers would be established for the presentation of short-term courses for counselors, social workers, speech pathologists and audiologists, sheltered workshop personnel, and placement specialists in the vocational rehabilitation of the mentally retarded. Field instruction units and clinical facilities would be set up in hospitals and centers for the treatment of the mentally retarded by the fields of medicine, social work, rehabilitation counseling, physical therapy, occupational therapy, and psychology. Provision would also be made for research fellowships to be earmarked for mental retardation. The total amount for the training program would be about \$500,000.

OFFICE OF EDUCATION

The mentally retarded have multiple needs reaching into the fields of health, social development, education, employment, and community living. A suitable education is particularly important to retarded children and youth. Without this opportunity, an educational handicap will be added to the one they now bear.

In 1964 it is estimated that there will be 1¼ million or more mentally retarded school-age children and youth in the Nation needing special education. On the basis of facts and estimates only about one out of every four of these children is likely to have such an opportunity. Unless accelerated services are provided, they, their families, and society, in general, will suffer.

In its efforts to assist mentally retarded children and youth, the Office of Education program is directed toward—

- (1) Extension and improvement of education programs;
- (2) Meeting the critical shortage of qualified special educators; and
- (3) Acquisition and dissemination of information.

EXTENSION AND IMPROVEMENT OF EDUCATIONAL PROGRAMS

The Office of Education has long been committed to a program of extension and improvement of educational programs for the mentally retarded. Activities in the area of the retarded have included and will continue to include the collection and dissemination of information through publication, consultation, participation in conferences and committees, and cooperation with both public and private agencies and individual leaders.

A technical report on statistics of special education for exceptional children has been completed and is planned for publication in 1964. This study will include the detailed technical data which form the basis for the preliminary report, "Exceptional Children and Youth: Special Education Enrollments in Public Day Schools," together with certain hitherto unpublished materials regarding residential schools and trends.

The Office of Education has been engaged in preliminary preparations for collecting statistics of special education in local public school systems and in public and private residential schools for the academic year 1962-63 in all areas of exceptionality, including the mentally retarded, both the upper range (educable) and the middle range (trainable). The questionnaires have been developed and a mailing list information survey has been conducted. The 1962-63 statistics will again provide information on the number of pupils enrolled and the number of school systems and residential schools conducting special education programs. In addition, the survey will collect data on the type and extent of cooperative arrangements among local school systems for providing programs in less populated geographic areas or in areas of exceptionality with small prevalence rates, such as the blind. This will provide hitherto unavailable status information related to one of the most persistent problems in expansion of special education programs.

Office studies in 1964 will be concerned with the needs and characteristics of mentally retarded children and the nature of instructional programs, with emphasis on the selection and adaptation of subject matter and learning experiences which contribute to their social and intellectual development and preparation for future economic adjustment and community living.

MEETING THE CRITICAL SHORTAGE OF QUALIFIED SPECIAL EDUCATORS

One of the major obstacles to providing adequate educational programs for our Nation's mentally retarded children continues to be the critical shortage of qualified educators in the field of the mentally retarded. It is estimated that at least 55,000 additional special class teachers of the mentally retarded will be needed if these children and youth are to have access to a suitable educational program. The most significant contribution thus far toward alleviating this shortage of professional personnel was the enactment of Public Law 85-926, "to encourage expansion of teaching in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies." This law has been implemented by \$1 million, the maximum amount authorized, for each fiscal year since 1960.

Thus far, the emphasis in the fellowship program has been directed toward the training of promising persons who will occupy leadership positions to (1) conduct program for the training of teachers of the mentally retarded (sec. 1 of the act); or (2) direct or supervise programs for mentally retarded children in State educational agencies or local schools or school systems (sec. 2 of the act). These persons will, in turn, contribute to the preservice or inservice professional preparation of teachers of mentally retarded children, thus multiplying the numbers of qualified teachers in this field. During academic year 1962-63, about

160 fellows, representing all but 2 of the States, are engaged in full-time professional study under this program. Since the beginning of the program, about 380 individuals have held fellowships, some for 1 year, others for 2 or 3 consecutive years.

The effects of this fellowship program are now beginning to be felt in the area of education of the mentally retarded. A number of former fellows have already assumed responsible positions in the field. The findings of a preliminary inquiry into the professional activities of about 100 former fellows show that nearly all are engaged in the field of special education and about two-thirds of those are engaged full time just in the area of mental retardation—either as college teachers, as State and local supervisors, or as special class teachers. It is also known that new positions in this field have been created in anticipation of qualified persons being trained under this program. Perhaps of more significance than alleviating the shortage of trained personnel is the resultant improvement of the quality of special education programs in the area of mental retardation.

As a result of Public Law 85-926, most of the colleges and universities participating in the graduate fellowship program under section 1 of the law have substantially strengthened their programs in the education of the mentally retarded through the addition of full-time staff members and graduate course offerings in mental retardation, and in the increase and improvement of research, clinical, and library facilities. Also, there is developing a nationwide interest in delineating more precisely the nature of college and university curriculums for the training of special educators in the field of the mentally retarded and in improving the curriculums at all levels.

In addition to administering the fiscal aspects of the fellowship program, the Office of Education is also giving active leadership to the development of professional standards in the field of education of the mentally retarded. Preliminary conferences have been held in the Office to identify more precisely those pertinent elements of curriculums at all levels—from preschool special education classes for mentally retarded children through graduate programs for the preparation of leadership personnel in this field. This examination of curriculums will continue in fiscal year 1964 along with the related problem area of determining those competencies needed by leadership personnel engaged in the education of the mentally retarded.

The State education agencies which participate under section 2 of the law have also been favorably influenced by the fellowship program. Participation in the program has been a means of improving the quality of professional personnel in their own States through the recruitment of promising candidates who otherwise could not finance the cost of graduate study necessary to prepare them for leadership positions. The number of States having supervisors in the education of the mentally retarded is increasing, and it is inevitable that these leadership positions will be filled by many of the fellows.

Because an inequity continued to exist in the geographical distribution of professional preparation programs at the doctoral level under section 1 of Public Law 85-926, small stimulation grants were made to six colleges and universities for the 1962-63 academic year. These grants are to assist the six institutions in the improvement and expansion of their doctoral programs in the education of the mentally retarded.

ACQUISITION AND DISSEMINATION OF INFORMATION

Studies and surveys

During 1962-63, the Office of Education has collected a good deal of status information about college, university, and State education agency programs in the field of special education. As these studies were conducted on a multiarea basis, they include new information in the area of the mentally retarded.

Data from a new survey of colleges and universities is currently being analyzed and a major publication is planned for release in the next few months. This will include such information as number and location of colleges and universities offering opportunity for teacher preparation, number of students enrolled, number of students completing preparation, and number of full-time and part-time faculty members engaged in preparing teachers and other special education personnel. Preliminary analysis of the data shows that the number of colleges offering some program in the education of the retarded has increased.

A study on State financial aids to local school systems is being continued. While this is a multiarea study, it will include current data on State aids for the educational programs for mentally retarded children in local public schools. Nearly all States now provide such aids to local public school systems even though the specific amounts and formulas vary substantially from State to State largely because of variations in the general patterns of State financial aids to local school systems.

The annual directory of special education personnel in State education agencies has been published and is available.

A compilation has been made of all recent publications issued by State education agencies in the field of the exceptional and will be published this year.

It is expected that some preliminary information can be made available in 1963 on the status of State certification requirements to teach exceptional children and specific State legislative provisions for the education of exceptional children.

Another project already underway which will be continued in 1964 is the study of school programs for older retarded youth. This has been one of the neglected areas in the conduct and reporting of special education programs in the United States. It has as its major aim new information regarding the extension upward of the age range in curriculum development mentioned above. The problem is being investigated through a sample of public school systems in the country stratified by size of school district, by a questionnaire technique.

Cooperative research activities

During fiscal year 1963 seven new research projects significant to the education of the mentally retarded were initiated. In addition, a national conference was planned to upgrade and give direction for new research related to speech and hearing problems of the mentally retarded. Outstanding researchers in the field of speech and hearing will turn their attention to the special problems in this area. They propose to meet the following objectives: Review present procedures in speech and hearing that can be adapted to serving the mentally retarded; review procedures for measuring language development of the mentally retarded; review the special language characteristics and training programs for the mentally retarded; develop strategies for large-scale research projects; and disseminate the proceedings in order to make them available to other researchers as a general guide for research development in this problem area.

One of the seven research projects initiated in fiscal year 1963 is classified as a "demonstration research" project. Its major purpose is to field test previous research findings in a natural school setting. This is just one attempt at reducing the gap between research and practice. The project utilizes data and findings of basic research which have been obtained over a period of about 8 years. Based on this data, a comprehensive program is to be developed and designed to meet the needs of slow learners at the junior and senior high level, who comprise a major portion of school dropouts. If successful, this project may provide a pattern for other schools to follow in reducing dropouts. This, of course, results in meeting individual needs and conserving human resources.

The following are brief descriptions of some of the research projects that were started this year.

A study being conducted by Dr. John R. Peck, of the University of Texas, is concerned with determining what characteristics mentally retarded youth must possess in order to achieve personal, sociocivic, and vocational success. If a "core" of these is discovered it will have significant meaning for special curriculums and vocational training programs for the mentally retarded. In addition, this could provide insight in predicting how successful a retarded youth will be as he moves into the community and world of work.

An investigation of how a retarded child responds to multiple stimuli in reaching his decision before responding is the concern of a basic research project being carried out by Dr. Claude Elam of Texas Christian University. Findings from this project should give insight to problems displayed by retardates in categorizing and reaching appropriate decisions. For example, dogs are not always larger than cats, girls do not always wear dresses, friends do not always smile nor do enemies always sneer. The general process in determining appropriate responses occurs through maturation in normal children. How this occurs becomes important in attempting to provide appropriate learning experiences for retarded children.

Another investigation is being conducted in St. Louis County under the directorship of Dr. Morvin Wirtz and the Missouri State Department of Education. This deals with the problem of the effectiveness of speech therapy programs for the mentally retarded in public schools. Answers to questions such as the following are being sought: What is the relationship between the degree of retardation and various types of speech problems? Will those who receive speech therapy through the public school show greater gains in speech improvement than those who do not receive formal speech therapy? This study may have significant findings to be employed in determining the type of therapy to be offered, as well as who within the retarded group should be provided with the therapy.

Cooperative research dissemination

Wide dissemination of the results of cooperative research projects including research on mental retardation is accomplished through (1) the Documents Expediting Project of the Library of Congress; (2) the Photoduplication Service, Library of Congress; (3) professional journals; and (4) publications of the Cooperative Research Branch.

Copies of all final reports of research projects supported by the cooperative research program are sent to the Library of Congress. The Library then distributes the reports to approximately 60 subscribing libraries throughout the Nation. They are then on file in each of these libraries and also available through the interlibrary loan system.

Many of the final reports of cooperative research projects and most of the ones dealing with the mentally retarded are available through the Photoduplication Service, Library of Congress. Progress is being made in getting a complete file of all final research reports on microfilm which will, for a very nominal cost, make it possible for many individuals, public schools, and libraries to examine and use the research findings as revealed in the final reports.

Through a small survey it has been discovered that approximately 700 dissemination activities have been carried out on 62 completed projects. A brief review reveals that 379 of these activities were in the form of presentations to lay groups, PTA's, etc., by the researchers. The remaining dissemination activities include such methods as reports in books, bulletins, formal papers read at professional meetings, monographs, and articles in professional journals.

To date 10 monographs have been released by the Cooperative Research Branch. These are based on selected cooperative research projects. Of these 10, 1 deals with mental retardation and is entitled, "Motor Characteristics of the Mentally Retarded." Examples of topics dealt with in the monograph series are: Gifted, mathematics education, autoinstructional teaching, and college attendance.

Another method of dissemination is that of reporting, in abstract form, all completed projects pertaining to the mentally retarded in the quarterly issues of the American Journal of Mental Deficiency.

Cooperative research program—overview

To date, 82 projects have been recommended to the Commissioner for approval by the Cooperative Research Advisory Council, for research on educational problems of the mentally retarded. These projects can be categorized into seven general problem areas. The areas, and a brief example of the results of one completed research project in each, follows:

1. *Cognitive processes.*—Certain tasks were assigned to bright, normal, public school, and institutionalized educable mentally retarded children. The results revealed that level of intelligence was related to tension and performance in a positive manner on tasks involving cognitive processes such as concept formation reasoning, etc.; however, this relationship did not hold true on manipulative skills. For example, bright children as compared with retarded, tend to manifest less emotional tension when involved in activities of a cognitive nature. Implications for this finding can mean, that especially in new activities of a cognitive nature, the teacher needs to be aware of the emotional tension building possibilities as she works with the retarded child. As is known, undue tension is not conducive to effective learning.

2. *Communication.*—A method has been developed which can be used in measuring the communicative effectiveness of mentally retarded children. After the method was developed a number of experiences were provided the retarded children in order to determine whether a change in a positive direction could be

achieved. The results were found to be most promising. On the basis of this study it is now possible for both teachers and speech therapists to determine the level of communicative effectiveness of mentally retarded children. Their teaching can now be directed toward improving the communicative skills of the retarded that appear to be weak as well as motivating the retarded child by encouraging him to use certain communicative skills which he might have that are stronger.

3. *Counseling and guidance.*—A recently completed study revealed facts which can be of considerable value to counselors as they work with parents of retarded children. The findings showed mothers of retarded children tend to be more adaptable than fathers especially as it relates to the child's intelligence and social competence. Father adaptability tends to be more associated with non-ability factors such as the diagnostic classification and sex of the child. Father adaptability was also associated positively with education, income, and occupation; only education was positively correlated with the adaptability of mothers. In general, it appears that father adaptability to a retarded child is much more sensitive to influences external to the parent-child relationship than is mother adaptability.

4. *Education and training.*—An investigation to determine the relative effectiveness of different methods of teaching reading and spelling to retarded children revealed that the teacher variable may be about as significant as the method of teaching. Lack of certain experimental controls may have affected the results but, as found from this study, mentally retarded pupils' achievement in reading and spelling is as high or higher when taught by the subject approach than when taught by the correlated unit approach. Further research is definitely needed in this area. A very significant study in this area which should give more insight to this problem is due to be completed in fiscal year 1964.

5. *Identification.*—The identification of special problems possessed by many mentally retarded children is so very important in terms of providing an appropriate educational experience for them. Techniques have now been developed and shown to be effective in securing an accurate hearing evaluation on most trainable retarded children. The same investigation has also shown that certain commercially available visual screening tests designed for normal children also can be used satisfactorily with trainable retarded children. In no case did the researcher feel that only one screening evaluation was sufficient. He emphasized that two visual screening evaluations be used before the trainable child is referred for professional medical care.

6. *Learning.*—The perception of symbols in learning to read and write is a skill act. Therefore the development of a desired model of quality of certain skill behavior is conducive to more effective learning. A study has been completed which reveals that a retarded group when compared to a normal or bright group (1) is significantly poorer in ability to choose samples of handwriting in their order of quality; (2) is less stable in matching their own handwriting to various samples; (3) is less stable in their consistency of aspired-to samples of handwriting; and (4) is less consistent in choosing their own highest and lowest quality of handwriting.

7. *Measuring instruments.*—An instrument has been developed to measure the progress of educable mentally handicapped children toward the attainment of educational objectives of the curriculum not adequately assessed by instruments that are now available. The test is designed as an achievement test; however, high correlation with mental age makes it a useful supplementary instrument in the diagnosis of educable mentally handicap. The test has been developed in a manner whereby the scores are not influenced by reading or spelling handicaps. It is easily administered and can be used as a guideline for teachers of retarded children in determining whether their class is progressing satisfactorily toward the objectives that have been set.

Although the above knowledge is of prime importance, it should be recognized that another benefit is accruing; i.e., the training of new researchers. On the basis of a small survey, it was found that over 600 graduate assistants had been involved full time at some point in the research project. As can be seen this is an important training source which provides young researchers an opportunity to secure research experience under the guidance of highly qualified researchers.

Educational media research and dissemination activities

Title VII of the National Defense Education Act authorizes research, experimentation, and dissemination of information concerning applications and adaptation of communications media to instructional problems. Addressed primarily

to the problems of providing higher quality instruction to an ever-increasing school population, of providing worthwhile educational experiences in out-of-school hours, and of individualizing instruction to meet the needs of learners, this program and its findings become important to the public schools in the education of the mentally retarded as in the education of the average or gifted.

To date, for research and dissemination projects directly concerned with the mentally retarded, approximately \$223,000 has been allocated of the \$15 million obligated for the total program. The findings of the other research projects, however, will in many cases be applicable to this group.

Three research projects directly affecting the mentally retarded have been completed. It was discovered at Grambling College, La., that student achievement between three techniques involving learner participation and the presence or absence of narration in an instructional film of "Health and Safety" showed no significant differences. However, the University of California, Los Angeles, has shown that "story films" may be a very successful medium for teaching children with mental retardation. Black and white held the learners' attention as well as color, depending upon the film content, and length of film was not a depreciatory factor as long as personal involvement in the scenario occurs. In addition, animation, although effective but expensive, does not appear superior to live photography. Partlow State School, Alabama, compared two methods of programed instruction with conventional methods for teaching the mentally retarded. Three groups of mentally retarded children were taught addition and subtraction for two semesters by one of the following methods: (a) programed instruction requiring write-in response, (b) programed instruction with multiple-choice response, and (c) conventional classroom instruction. The results reveal: (a) all three groups showed significant improvement during the course of the addition program; (b) the group using programed instruction with multiple-choice response resulted in significant improvement during the course of the subtraction program; and (c) no significant improvement on subtraction problems occurred in the group using programed instruction with write-in response or the one undergoing conventional classroom instruction. It was concluded that automated teaching is a useful supplementary approach to teaching students who are mentally retarded.

One of the research projects reported in progress last year will be completed later during this fiscal year, but tentative findings have been sufficiently significant to enter into a contract for the production of a film to disseminate the final results. The research project, *The Development and Evaluation of a Curriculum for Educable Mental Retardates Utilizing Self-Instructional Devices or Teaching Machines*, is being carried out by the Edward R. Johnstone Training and Research Center, New Jersey, which will also produce the 27-minute, 16-mm., black and white sound film describing the use of teaching machines in the education of the mentally retarded. This film will be widely distributed to the public schools, colleges, and universities, and State departments of education throughout the Nation.

Recently initiated research projects focus on basic learning variables bearing on all ability groups to include mental retardates. Contracts have been negotiated with the University of Illinois, Colorado State University, and the University of Utah to carry out studies in depth of the relationships of educational media to basic instruction problems, such as psychological and educational factors in transfer of training, the relationships of new educational media to non-intellective factors in learning, and aspects of the instructional procedure involved in the use of new educational media. Beyond their immediate application, the results will indicate areas that have either not been researched or which need further exploration. Such research should elicit heretofore unknown information about the vast continuum of human ability, from extremely retarded to the highly gifted.

The findings of projects supported by title VII are widely disseminated for the benefit of public schools and institutions of higher education in using new communications media to educate their students. The final report is distributed through the Library of Congress Documents Expediting Service to key libraries across the Nation and a copy is sent to each chief State school officer. The completed report is microfilmed and made available through the University Microfilm Service and an abstract of the report is published in a national educational research quarterly. When appropriate, films, demonstrations, and exhibits are produced and made available across the Nation to explain, call attention to, and demonstrate the use of new media in the educational process.

Projected activities

Extension and improvement of educational programs for the mentally retarded was one of the major recommendations of the President's recent panel report. Some of these recommendations will be implemented in the 1964 plans of the Office of Education.

A new area of emphasis, learning disorders, will be added to other areas of special concern under the cooperatives research program. Greater emphasis will be placed on research in the learning process as a means of developing better methods for educating the mentally retarded. Research development activity will be encouraged in order to examine patterns of research that have emerged, summarize important findings, and encourage further research where it is needed.

A curriculum research and development activity is being proposed to develop programs, techniques, and materials that are uniquely tailored to the needs of the mentally handicapped.

Demonstrations are being proposed to demonstrate through classrooms, film strips, television, program textbooks, etc., the promising practices that are emerging from research and development activities in the field of mental retardation.

A research program center is being planned in order to provide for a long-term commitment of a research staff and an institution to basic research and to the translation of that research into programs that can be tried out and evaluated in the schools. This is perceived as a mechanism to effectively bridge the gap between the researcher's ivory tower and the practitioner's world of mentally handicapped learners.

A new periodic survey program of the mentally retarded is proposed which will fill important gaps in available information. Major emphasis will be given to a study of educational programs for mentally retarded youth. This study will deal with curriculums from the nursery school and kindergarten age level to the young adult as well as curriculum in colleges and universities for the professional preparation of special educators to work with the mentally retarded.

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

The social security program administered by the Bureau of Old-Age and Survivors Insurance contributes to the maintenance of the mentally retarded through the payment of monthly benefits to those eligible for such benefits.

The social security law provides for payment of childhood disability benefits to seriously disabled persons aged 18 and older who have a disability that began before the age of 18 and has continued without interruption since that time; severely mentally retarded persons are eligible for such benefits when the parent upon whom they were dependent died insured under the program, or when such a parent is living and receiving old-age or disability insurance. A significant percentage of this adult population receiving disability benefits is disabled as a result of mental retardation.

Benefit payment to the mentally retarded and obligations incurred to adjudicate their claims for the years 1960 through 1964 are included on the table at the front of this report. The amounts involved have been estimated, because separate data are not kept in the area of mental retardation.

The estimate is based on the proportion of mentally retarded cases in our disabled adult population. Some benefits are paid to retarded children below the age of 18; however, estimates are unavailable as no valid data have been collected. Estimated mentally retarded adult beneficiaries for the 5-year period fiscal years 1960-64 appear below:

Fiscal year :	<i>Number of beneficiaries end of year</i>
1960.....	63, 000
1961.....	77, 000
1962.....	96, 200
1963.....	113, 100
1964.....	128, 700

FOOD AND DRUG ADMINISTRATION

The Food and Drug Administration does not have a specific program identified with the problem of mental retardation although many FDA activities have an indirect, contributory relationship to the solution of this problem. For example,

FDA's efforts to determine the safety of new drugs used to treat pregnant women, infants, and young children can contribute incidentally to both the prevention and treatment of mental retardation, although FDA's basic concern is for the overall safety of drugs.

New regulations strengthening control over distribution of new drugs for clinical investigation, that became effective February 7, 1963, and the Kefauver-Harris Drug Amendments of 1962 will strengthen FDA's drug program which in turn will have an incidental effect on the problem of mental retardation; however, here again, there is no way of identifying specific resources within this broad program that have a direct bearing on the problem of mental retardation.

AGING

PREFACE

In the past year, there has been a heartening increase in effective action for the elderly, based on a growing realization of the variety and interrelationship of needs of our older citizens. Obviously in any segment of the population involving 17½ million men and women with ages ranging from those reaching their 65th birthday this year, to some 10,000 who are already more than 100 years old, there will be a great variety in conditions of health, of economic need, and of aspiration.

In recognition of these differences we have begun to individualize, to seek the "appropriate" solution. We are assisting States and communities to develop more comprehensive and better coordinated programs for older people. Existing programs have been expanded; new ones initiated. We have had new tools with which to do these things.

Although these program developments will be discussed in more detail in the individual reports made by the various operating agencies of the Department, a brief look at them here may serve as an indication of increased urgency and real accomplishment within the Department.

The 1962 Public Welfare Amendments are making it possible for the new Welfare Administration of HEW to aid States to focus upon welfare assistance in the true meaning of the word "welfare." They are offering an opportunity to break the cycle of dependency, to provide restorative services which can mean a return to self-support for some, self-care and self-esteem for many. Services may also be provided for persons not yet on assistance rolls in an effort to assist them to maintain their independence.

The Community Health Services and Facilities Act, passed by the Congress in 1961, moved really into stride in 1962, enabling the Public Health Service to assist communities to provide out-of-hospital health service at the appropriate time—nursing home care or home care or a combination—in communitywide comprehensive programs, and to seek, through research and demonstration programs, for still other and better approaches. Programs are now underway in 48 States.

The establishment of a new Gerontology Branch in the Chronic Disease Division of the Public Health Service provides the first operating program geared exclusively to meeting health needs of all persons over 45.

The new Institute of Child Health and Human Development established within the National Institutes of Health, as a result of congressional authorization, will expand programs of basic research on health problems of the aged.

The Office of Education is giving increased attention to the needs of the elderly at various educational levels and the possibility of services which older people can give in the educational field.

The Food and Drug Administration has increased its activities in providing consumer protection for the elderly.

The Vocational Rehabilitation Administration is improving and expanding rehabilitative programs for older citizens.

The Social Security Administration is now paying benefits to more than 14 million persons aged 62 and over; this is an increase of more than 2 million aged beneficiaries since the beginning of 1961. Part of the increase is due to the liberalized requirements enacted in the 1961 social security amendment.

The Office of Aging is the Department's coordinating agency for all of its programs concerned with older people. Its new position within the Welfare Administration will enable this organization to carry out its functions more effectively. In the past year the Office of Aging has worked closely with State com-

missions and committees on aging in its program to stimulate and assist advances in all phases of aging. The HEW Departmental Committee on Aging, reactivated by the Office of Aging, now holds monthly meeting and makes work assignments to plan ways of strengthening the total HEW program in aging. A panel of consultants, made up of 29 leading citizens knowledgeable in the field of aging, was organized by the Office of Aging to assist it and the Secretary in reviewing the Department's programs in aging and to help chart its proper future course of action.

The individual agency reports which follow reflect the emphasis and importance the Department attaches to the entire field of aging.

OBLIGATIONS

Obligations and trust fund payments for programs on aging (under existing legislation)

[In thousands]

	1960	1961	1962	1963 estimate	1964 estimate
Food and Drug Administration (enforcement)-----	\$4,970	\$6,785	\$7,790	\$12,000	\$14,500
Office of Education (vocational education, library services, cooperative research, consultative services, conferences, and administrative expenses)-----	3,537	3,835	3,873	3,885	3,833
Vocational Rehabilitation Administration (rehabilitation; extension, improvement, research, demonstration projects; training)-----	13,790	18,271	21,136	23,825	28,612
Public Health Service:					
Bureau of State Services-----	45,044	64,825	69,831	87,036	90,102
National Institutes of Health-----	6,061	7,612	9,627	12,672	15,024
Total, Public Health Service-----	51,105	62,437	79,458	99,708	105,126
Social Security Administration:					
OASDI benefits: Disability payments: Age 45 to 64-----	528,000	644,000	846,000	957,000	1,010,000
Retirement/survivors payments: Age 45 to 64-----	446,000	497,000	895,000	1,003,006	1,068,000
Age 65 and over-----	8,628,000	9,365,000	10,271,000	11,312,000	11,977,000
Total, Social Security Administration-----	9,602,000	10,506,000	12,012,000	13,272,000	14,055,000
Welfare Administration:					
Public assistance:					
Age 45 to 64-----	135,700	145,600	157,800	188,600	210,700
Age 65 and over-----	1,200,700	1,272,600	1,403,400	1,539,200	1,704,200
Total 1-----	1,336,400	1,418,200	1,561,200	1,727,800	1,914,900
Office of Aging (includes White House Conference on Aging)-----	1,327	841	379	497	545
Total, Welfare Administration--	1,337,727	1,419,041	1,561,579	1,728,297	1,915,445
Total, Department of Health, Education, and Welfare 2-----	11,013,129	12,016,369	13,685,836	15,139,715	16,122,516

¹ Includes both assistance payments and Federal Administration, services and training costs

² 33 percent of St. Elizabeths patients are 65 or over; however, operational, research, and training obligations related to this group are not identifiable.

FOOD AND DRUG ADMINISTRATION

Obligations by fiscal years for programs for the aging—Salaries and expenses

	Thousands
1959-----	\$3,930
1960-----	4,970
1961-----	6,785
1962-----	7,790
1963-----	12,000
1964-----	14,500

NARRATIVE STATEMENT

The programs administered by the Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act and five related consumer protection laws all benefit the older segment of the Nation's population either directly or indirectly. However, the programs that contribute most to senior citizens are those involving (1) drugs and therapeutic devices, and (2) medical and nutritional quackery.

Drugs and therapeutic devices

FDA has the responsibility to assure that all drugs available to Americans are safe and effective. This responsibility is fulfilled by (1) reviewing and evaluating all data submitted in new drug applications before approving a drug for the market, (2) conducting research to help develop knowledge about drugs and drug ingredients, (3) conducting animal and other tests to understand the effect of drugs, (4) contracting for clinical investigations of specific drugs, (5) making inspections of drug establishments to check manufacturing controls, files, distribution records, etc., (6) collecting drug samples on the market and analyzing them to assure that the products meet all requirements, (7) reviewing reports required for all clinical investigations of experimental drugs, (8) collecting and following up on adverse reaction reports, (9) undertaking legal action, when necessary, and (10) performing various other activities to help keep unsafe and ineffective drugs off the market. In addition, FDA is also responsible to assure that all therapeutic devices are safe.

For the aging and the aged, these responsibilities of FDA are extremely important, because this age group is more dependent on drugs and therapeutic devices than any other segment of the population. This is because the aging and the aged are most prone to various metabolic and degenerative problems. The incidence of problems such as arthritis, rheumatism, degeneration of hearing and vision, prostate disturbances, insomnia, lack of appetite, muscular weakness, impotency, skin diseases, circulatory disorders, digestive deficiencies, etc., is especially great among the aging and aged. In addition, such killers as cancer and heart disease strike particularly this age group. For these reasons, many, if not most, drugs either being developed or currently on the market are bought by the aging and the aged. FDA's activities to assure the safety and effectiveness of drugs, therefore, are of particular significance to this group.

The scope of FDA's workload in this area is illustrated by the fact that during fiscal year 1962 the agency received 693 new drug applications and 3,497 applications to modify previously approved drugs. During the same period, 281 seizure actions were approved by FDA for drugs on the market that were unsafe for various reasons, 37 prosecution actions were approved, and 10 injunctions were recommended. In addition, FDA approved 72 seizure actions against unsafe therapeutic devices and recommended 4 prosecutions and 6 injunctions against such devices. Also in fiscal year 1962, 83 dangerous drugs were recalled off the market either as a result of findings made by industry, by FDA, or a combination of both.

Medical and nutritional quackery

Since so many older people suffer from metabolic and other problems for which medical science has not yet found complete cures, they are the prime target of spiliers, medical quacks, health-food lecturers, food faddists, and other self-styled experts on health and body nutrition. These unscrupulous individuals offer fake cures to sufferers of such problems. Consequently, at least \$1 billion is wasted on medical and nutritional quackery annually, and undoubtedly much of this comes from the earnings and savings of the Nation's aging and aged population. Health quackery has become big business, at times making use of clinics, employing armies of salesmen, hiding behind medical degrees and the facades of so-called research institutes and foundations, and taking full advantage of America's highly developed advertising and communications media and techniques.

Under law, FDA is responsible for protecting consumers against foods, drugs, cosmetics, and therapeutic devices being sold under false or misleading claims. To accomplish this, FDA (1) conducts tests and research to learn more about various products, (2) makes inspections of plants producing, storing, or selling foods, drugs, cosmetics, and therapeutic devices, (3) collects samples of such products and subjects them to laboratory analyses, (4) approves for marketing

only those drugs that are effective as claimed, (5) develops and issues educational materials to place the population on guard against quackery, (6) undertakes legal action when necessary, and (7) performs other activities to combat the problem.

Older people, being the prime targets of quacks, probably benefit more from these efforts than any other segment of the population. During fiscal year 1962, FDA approved the seizure of 163 drugs, 29 dietary foods, and 55 therapeutic devices because of false claims. During the same period, the agency recommended 12 drug prosecutions, 4 device prosecutions, 8 drug injunctions, and 6 device injunctions on the basis of false claims.

The 1964 budget would help strengthen FDA's programs that are beneficial to the Nation's aging and aged consumers.

OFFICE OF EDUCATION

Our Nation is faced with the necessity of providing an education for a significant proportion of its adult population. The vocation education programs authorized by the Smith-Hughes and George-Barden Acts serve older adults in offering training for new job skills or improving old skills. Occupational training programs are also authorized under the Manpower Development and Training Act and Area Redevelopment Act for training the unemployed for jobs. During 1963, new training needs have been identified and programs developed to keep pace with industrial relocation, technological developments and resulting manpower requirements.

This rapid technological change and the complexity of modern industrial processes, however, necessitate long-range planning for the training and retraining needs of older adults on a continuing basis.

A developmental program in education for aging initiated subsequent to the 1961 White House Conference on Aging is underway. Seven regional conferences and eight State conferences have been held in cooperation with nine national educational organizations and with State and local leadership groups. These conferences, involving approximately 900 persons to date, have had the central purpose of encouraging State and local educational leadership groups to plan with older persons those educational programs and services meeting the interests and needs of the elderly. Seven universities in the several regions and eight State leadership groups are serving as hosts and planners for the conferences. In addition to conferences relating to education for aging the Adult Education Branch has been involved the past year in publication and consultative work. Nineteen thousand copies of "Senior Center Winnetka, Ill.," were distributed nationally in connection with American Education Week—an account of a demonstration in identifying and utilizing the talents and skills of the elderly in educational services and school program enrichment. In 1964, it is proposed to expand services in the areas of education for aging and education of disadvantaged groups.

The Guidance and Counseling Programs Branch has extended its consultative work with State and local school systems on counseling older adults following a basic study, conducted the previous year, of counseling older adults in the public schools.

The Library Services Branch is continuing to fulfill its responsibilities in the field of aging by supplying information on special problems of library programs oriented to aging to State library agencies and State agencies concerned with aging; maintaining information liaison with national and State library associations; serving in an advisory capacity to the library committee of the National Council on Aging; and distributing publications upon request to local and State libraries on the organization and administration of library programs in the area of aging.

The Cooperative Research Program is supporting three projects which deal with problems of the aging and are concerned with the ways in which education may aid them.

Two projects reported in the fiscal year 1962 summary report are continuing. One project deals with determination of the services colleges and universities might well offer for older persons. The type of service which a college or university could appropriately and beneficially offer the older citizens to a great extent is dependent upon the interests and needs of these people. Consequently, much of the study will deal with methods of determining the types of programs that will encourage older persons to remain mentally alert, socially adjusted, and economically productive citizens.

The second project explores the problem of the transition of a person from the working period in his life to the retirement years. The problem involves the change in status which occurs when one's income is drastically reduced while consumer needs are not similarly reduced. This time of life constitutes a critical period of adjustment for most people who retire. This problem is further emphasized by increased leisure time, decline in health, and even loss in social status. This project, conducted by Dr. Woodrow Hunter of the University of Michigan, will concentrate on preretirement education and the retirement problem.

A project that was initiated in fiscal year 1963 at the University of Michigan by Dr. Angus Campbell has implications regarding programs for the aged. This study will attempt to determine attitudes regarding the value of higher education, that is: (1) economic value, (2) social value, (3) personal enlargement, (4) use of leisure time, and (5) concepts of the value of higher education to society. This study should provide information which will be beneficial in developing criteria for establishing adult education programs that will benefit the aged.

Programs for older people

Agency and program	Fiscal year		
	1962	1963 estimate	1964 estimate
Office of Education:			
Grants for vocational education.....	\$2,500,000	\$2,500,000	\$2,500,000
Grants for library services.....	1,234,000	1,162,000	1,162,000
Cooperative research.....	43,703	125,758	36,761
Salaries and expenses: Consultative services, conferences, and administrative expenses of educational staff on aging.....	95,000	97,375	134,650
Total, Office of Education.....	3,872,703	3,885,133	3,833,411

VOCATIONAL REHABILITATION ADMINISTRATION

I. SCOPE OF PROBLEM

The magnitude of the problem faced by National, State, and local governments and private organizations in assisting and rehabilitating the aged can best be illustrated by figures currently available on the increased number of these individuals in our population.

According to the 1960 census, nearly 53 million people in the Nation are aged 45 or more. Sixteen and one-half million are 65 years of age or older. It is estimated that by 1980 some 68,400,000 of our population will be age 45 or beyond and that 24,500,000 of these people will be 65 years of age or older.

As the number of older people in our population increases, the number that will need rehabilitation will also increase. In view of this situation, the Vocational Rehabilitation Administration is designing programs not only to rehabilitate vocationally as many individuals as possible now, but also to assist the larger number of individuals who will be needing vocational rehabilitation in the future.

Such an objective is in accord with the 1961 White House Conference on Aging recommendations which urged immediate action to improve and expand rehabilitation programs for our older citizens.

II. NEED OF VOCATIONAL REHABILITATION SERVICES FOR THE AGING

Middle aged and older persons suffer disproportionately from chronic illness and disability, consequently, one of their major concerns is health—both physical and mental. Usually, their economic condition makes it more difficult for them to bear the costs of prolonged medical services than younger persons. Often the care they receive in hospitals or other institutions is custodial rather than rehabilitative. This results in several million of our older citizens being almost solely dependent on others for their support or for meeting the normal demands of daily living. They cannot work, travel, feed themselves, dress, communicate adequately, or move about without aid.

Many could learn again to live their lives independently and with greater dignity if they were provided with modern rehabilitation services. Some could

return to work. Others could be assisted to conditions enabling them to care for themselves. Rehabilitation services in either case would benefit not only the disabled person alone but also society as a whole. For example, lost wages would be restored to those who returned to work, industry would regain labor skills, and there would be new purchasing power and tax revenues in the economy. Institutional and welfare costs would often be reduced as some individuals would no longer be dependent or need constant attendance thereby enabling the community to benefit from decreased expenditures.

III. EXTENT OF DISABLEMENT AMONG AGING PERSONS

National estimates indicate that more than 5 million people in this country, aged 45 and over, have disabilities lasting 3 months or longer.

The Vocational Rehabilitation Administration estimates that approximately 1.5 million of these 5 million long-term disabled people—among them 115,000 persons 65 years of age or older—would need, could benefit from and would want vocational rehabilitation services in order to return to work. These 1.5 million people have either a chronic disease and/or a physical or mental impairment that constitutes a serious handicap to employment. Their disabilities are long-term rather than temporary in nature; yet their conditions are not so serious or of such a nature that there is little chance to rehabilitate them for work.

The remaining 3.5 million probably cannot be rehabilitated in terms of work, but could, in varying degrees, be returned to self-care and independence through appropriate services. It would lift them from dependency on families, institutions, or public welfare, with consequent benefits to their dignity, relief of growing burdens on institutions, and reduction of public and private costs for their maintenance.

IV. PROGRESS IN REHABILITATION OF THE AGING DISABLED

As a result of modern rehabilitation services, there are many thousands of handicapped middle-aged and older persons at work in every occupational field performing jobs as efficiently and reliably as workers who have no handicap.

Under the State-Federal vocational programs, there has been since 1945 a steady increase each year both in the number of older disabled individuals rehabilitated into gainful employment and in the percent which this group constitutes of the total. In 1945, 7,344 disabled persons 45 years of age and older were rehabilitated into gainful employment in the State-Federal vocational rehabilitation program. In 1950, 14,127 almost twice the 1945 number, were rehabilitated. In 1960, the total number of individuals aged 45 and over rehabilitated was 25,874. In 1961 the total number was 27,592 while in 1962 it was 29,968. It is estimated that a total of 33,000 persons 45 years of age and older will be rehabilitated during fiscal year 1963, and a probable 37,000 in 1964.

These people are employed in every segment of America's productivity—in large and small industrial firms, on the farms, in retail stores and offices, in the professions, in their own small business, in the many service occupations and in the important tasks of housewife and homemaker.

Many disabled older people in the white collar group have entered or reentered occupations in which there are shortages of competent, professional, and technical people, such as teaching, nursing, social and welfare work, the clergy, and laboratory technicians and assistants. In other groups they are working as office clerks, bookkeepers, secretaries, sales persons, cooks, maids, stewards, hostesses, waiters, beauticians, bakers, tailors, farmers—in short, in every occupation in the Nation.

V. RESEARCH AND DEMONSTRATION PROJECTS SERVING THE AGED

A wide diversity of problems is found among older disabled people. In order to obtain more knowledge about these problems, the Vocational Rehabilitation Administration is helping to support research and demonstration projects relating to this older group. Since 1954 the Office has provided financial assistance amounting to over \$7 million for these projects. Usually, the sponsors of such projects contribute an additional dollar for every \$2 of Federal grant funds, and to date grantees have invested nearly \$3 million of their own funds in these research and demonstration activities.

In 1962 the Vocational Rehabilitation Administration supported 42 projects with grants estimated at over \$2 million. All of these projects were developing

new methods and techniques for dealing with the problems of disability among older disabled individuals. For example, a project in New York City pioneered in demonstrating that disabled older workers could be successfully retrained and placed in employment. Some 197 handicapped men over 60 years of age were placed in competitive industrial employment. The oldest individual placed was over 80. The results of this project were so good that 10 similar projects have been established in Kansas City and St. Louis, Mo.; St. Paul and Mankato, Minn.; Milwaukee, Wis.; Miami, Fla.; Gadsden, Ala.; Dallas, Tex.; Philadelphia, Pa., and the Virgin Islands. In September 1961, representatives of these projects attended a 2-day conference in New York City at which the training and placing of older handicapped workers in employment were discussed.

A number of projects are seeking to assist older people confined to institutions and nursing homes to become as self-sufficient as possible. For some, this would mean a resumption of a normal place in community life.

In the State of Washington a VRA-sponsored project to rehabilitate the chronically ill confined to nursing homes was very successful. An elderly woman unable to respond, walk, or feed herself was committed by her family to a mental hospital and remained for 18 months. She was released to a nursing home and after 6 weeks of intensive treatment by the staff was able to respond, feed herself, and walk. She was subsequently returned home and her family was delighted and amazed at her progress.

The University of Michigan and the Illinois Public Aid Commission developed special staff training techniques and rehabilitation methods applicable in public and private nursing homes.

At Highland View Hospital, Cleveland, Ohio, a project successfully demonstrated that rehabilitation is possible for long-term hospital cases disabled by severe chronic diseases.

All of the research and demonstration projects have a common goal—finding new techniques and methods for restoring maximum functional or earning capacity to older disabled people.

VI. TRAINING

Since it is anticipated that a higher proportion of older disabled persons will require rehabilitation services, more of the training resources of the Vocational Rehabilitation Administration are being devoted to increasing the proficiency of rehabilitation personnel in relation to the older disabled person. The Administration is supporting special institutes in geriatric rehabilitation in a number of our universities.

For example, the Department of Physical Medicine and Rehabilitation of the New York Medical College Metropolitan Hospital Center conducted a 2-week course on the principles and practices of geriatric rehabilitation for registered nurses, occupational therapists, physical therapists, and social workers.

In the spring of 1961 the State University of Iowa conducted two short-term training courses on techniques and methods of counseling the older disabled worker. In October 1962 the Vocational Rehabilitation Administration cooperated with the Hawaii Commission on Aging to conduct an institute on aging in Honolulu, Hawaii.

In the past, workshops have been held in California, Arizona, Oregon, Utah, Texas, Mississippi, and West Virginia in order to bring together community agencies for a cooperative attack on problems of service to the aging. Future plans call for such workshops to be held in additional States for this same purpose.

VII. EXTENSION AND IMPROVEMENT PROJECTS SERVING THE AGED

One of the ways in which the States have been most effective in making it possible for more older people to be rehabilitated is through extension and improvement projects provided under section 3 of Public Law 565.

For example, the State of Kansas is providing special diagnostic evaluation services aimed at assisting the older worker to return to productive employment; Michigan is providing special rehabilitation services for the aged; Nebraska has assigned a counselor to serve the aged disabled as well as a counselor to assist in rehabilitation of the aged blind, and Oklahoma has begun a statewide study of the rehabilitation and employment needs of the older worker.

VIII. REVIEW OF REHABILITATION OF THE AGING, 1959-64

*A. Expenditures for rehabilitation of the aging, fiscal years 1959-64**1. State vocational rehabilitation agencies: Rehabilitated persons 45 years of age or over at acceptance, fiscal years 1959-64*

Fiscal year	All rehabilitants	45 years of age and over	Percent
1959.....	80,739	24,275	30.2
1960.....	88,275	25,674	29.1
1961.....	92,501	27,592	29.9
1962.....	102,377	29,968	29.3
1963 ¹	110,400	33,000	29.3
1964 ¹	126,500	37,000	29.3

2. State expenditures for older handicapped persons

Fiscal year	Number of individuals aged 45 and over rehabilitated	Federal share of the cost
1959.....	24,275	\$12,250,000
1960.....	25,674	13,000,000
1961.....	27,592	16,500,000
1962.....	29,968	19,000,000
1963.....	33,000	21,750,000
1964.....	37,000	26,500,000

¹ Data are estimated.*3. Extension and improvement projects serving the aged*

State	Fiscal year	Federal grant	Title of project
Kansas.....	1960	\$13,659	Services for a special group (intensive team approach of diagnostic evaluation and rehabilitation services at the Hadley Memorial Rehabilitation Center and return of older worker to productive employment).
	1961	9,555	
	1962	13,600	
Michigan.....	1960	31,488	Special rehabilitation services for the aged including purchase of services.
	1961	52,051	
	1962	31,488	
Nebraska (blind).....	1961	3,829	Rehabilitation of the aging blind (assignment of counselor—experimentation in anticipation of developing techniques for serving the older age worker).
	1962	3,822	
	1963	5,000	
Nebraska (general).....	1961	7,658	Counselor for the aged disabled.
	1962	7,644	
	1963	10,000	
Oklahoma.....	1961	18,898	A statewide study of the rehabilitation and employment needs of the older worker.

NOTE.—No projects serving the aged before 1960.

4. Research and demonstration projects expenditures

Fiscal year	Research and demonstration projects	Selected demonstration projects	Estimate, new projects	Total
1959.....	\$445,437	\$147,320	-----	\$593,000
1960.....	585,081	205,212	-----	790,000
1961.....	1,474,676	283,074	-----	1,758,000
1962.....	1,843,232	289,567	-----	2,133,000
1963.....	1,903,021	170,015	-----	2,073,000
1964.....	1,174,000	243,000	\$650,000	2,067,000

5. Short-term training course expenditures

Fiscal year	Sponsor	Federal grant for aging
1959	New York Medical College.....	\$13,961
	University of Mississippi.....	1,010
	San Diego State College.....	2,575
Total		17,546
1961	University of Connecticut.....	2,020
	University of Iowa.....	9,700
	University of San Francisco.....	1,257
Total		12,997
1962	Salt Lake City, Utah Health Department.....	2,587
1963	Hawaii State Interim Commission on Aging (additional (pending) \$40,000.)	1,471
1964	Estimated.....	45,000

B. Accomplishments

1. *Research.*—Although many economists and labor experts agree that the older worker has valuable skills and talents which can be utilized, unfortunately, many employers and a large portion of the general public are not convinced of his ability, much less the ability of the older handicapped worker, to produce in competitive employment.

The Vocational Rehabilitation Administration is attempting to counteract this point of view through research projects designed to present facts on the older disabled worker's productivity. For example, projects are now being conducted in Florida, Colorado, Massachusetts, Michigan, and Texas geared to train and place the older handicapped worker into competitive industrial employment.

The New York project previously referred to which pioneered in demonstrating the feasibility of vocationally rehabilitating handicapped workers aged 60 and above and proved so worthwhile that 10 other demonstration projects currently in operation were adapted from it, is engaged in a new 5-year project to evaluate results of a community operated vocational rehabilitation program. Results of these studies, plus results obtained from other VRA supported projects, will provide tangible evidence regarding the adjustment and performance of the older handicapped worker on the job.

A number of research and demonstration projects are designed to assist older people confined to nursing homes to become as self-sufficient as possible and to train nursing home personnel in modern rehabilitation techniques that can be applied to older persons under their care.

2. *Jobs for the blind.*—The Vocational Rehabilitation Administration puts forth sustained efforts to open greater job opportunities for the blind including the expansion of vending stand opportunities under the Randolph-Sheppard Act. Over half of the vending stand operators are 45 years of age and over.

3. *Jobs for the deaf.*—As the inroads of automation have their impact upon the employment of the large numbers of older deaf workers in skilled and semiskilled occupations, efforts should be increased to emphasize retraining and reemployment.

OAST.—The disability provisions of the Social Security Act in 1954, and as subsequently amended, have been a factor in the growth of the number of older people being served. Annually, about 400,000 to 500,000 applicants for disability benefits are referred to by the Bureau of Old Age and Survivors Insurance to the State vocational rehabilitation agencies for possible vocational rehabilitation services. An increasing number of these applicants are being provided with rehabilitation services including many individuals from older age groups.

Under the VRA research and demonstration program, three major projects concerned with the development of improved medical and vocational evaluation techniques are being conducted in Louisiana, Ohio, and Minnesota. In addition, there are in operation 11 demonstration projects designed to determine the

extent to which the older and severely disabled persons may benefit from the provisions of vocational rehabilitation services.

C. Future plans

1. *Research and demonstration.*—In order to make progress in rehabilitating older disabled people, it is necessary to have factual data. Such data is obtained primarily from research through which methods and procedures for various types of rehabilitation services are discovered, developed, and adapted for use.

It is planned to continue emphasis on research projects and conduct demonstrations throughout the country which will illustrate the techniques or findings of research projects. Such demonstrations will serve to illustrate that, with proper evaluation, training, and placement many older people can return to work, or with other assistance achieve greater independence.

2. *Training of personnel.*—There is an urgent need to orient hospital, nursing home, and other institutional personnel in modern methods of rehabilitative care and techniques. Thus, training programs in the field of aging for professional and technical personnel working with older disabled people should be expanded.

There is, of course, the need to expand the basic professional training programs in rehabilitation for physicians, occupational therapists, physical therapists, rehabilitation counselors, speech and hearing therapists, and other specialists concerned with rehabilitation of the disabled.

3. *Community resources.*—It is of the utmost importance to establish services in the community for post-institutional care of the aged who are ill, also services to sustain disabled individuals after restorative medical care, and prevent or reduce the need for institutionalizing persons who could be maintained in their homes. There is also a need to promote job opportunities for the aged disabled among local employers, to develop business orders for rehabilitation facilities, to establish recreational programs, friendly visitor programs, and other projects.

As our aging population increases, the demand for various types of services becomes greater, necessitating plans for expanded program operations and increased financial assistance to make program expansion possible.

The Vocational Rehabilitation Administration will continue to put forth sustained efforts to provide improved services for more aging disabled people in order that they may be able to be vocationally rehabilitated and/or help themselves realize their full potential.

Financial support for aging

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964
Number of rehabilitants.....	24,275	25,674	27,592	29,968	33,000	37,000
Grants to States.....	\$12,250,000	\$13,000,000	\$16,500,000	\$19,000,000	\$21,750,000	\$26,500,000
Research.....	593,000	790,000	1,758,000	2,133,000	2,073,000	2,067,000
Training.....	17,500	-----	13,000	2,600	1,500	45,000
Total, Vocational Rehabilitation Administration.....	12,860,500	13,790,000	18,271,000	21,135,600	23,824,500	28,612,000

PUBLIC HEALTH SERVICE, BUREAU OF STATE SERVICES

BUREAUWIDE ACTIVITIES¹

A. GENERAL STATEMENT

The primary goal of the chronic disease and aging programs of the Bureau of State Services is to improve and extend preventive measures, total patient care, and health-related services through organized community efforts. To accomplish this goal assistance is given to State and local health departments in the development of programs for the control of chronic diseases, the reduction of disability, the improvement of patient care, and the promotion of positive health. This assistance is made possible through Federal funds

¹ Calendar year report unless otherwise indicated in text. Prepared January 1963 as background material for submission at congressional hearings.

for studies, demonstrations, and administration of programs; through consultative services; and through the loan of personnel, equipment, and materials.

During 1962, this program was carried out by the Office on Aging and the six divisions in the Bureau providing community health services. Reports follow on the activities of each of these components.

B. OFFICE ON AGING

In 1961, the Office on Aging was established in the Office of the Chief of the Bureau to bring focus to the important area of aging and to develop coordinated programs. The Office was also designated the responsibility for liaison with other activities on and pertaining to aging in other bureaus and agencies.

The Office provided a focal point for information regarding the programs in the Bureau of State Services. To accomplish this, it organized a Committee on Aging with servicewide participation to bring about a much needed exchange of information and an understanding among the various components of the Service's many programs concerned with the problems of the aging and aged. Other planned committee activities included a review of all Bureau operating programs, all Bureau grants programs, education and information activities, and methods of reporting to the public and Congress.

Besides providing direction for the work of this committee, the staff of the Office on Aging participated in numerous local, regional, and national meetings, institutes and seminars on aging and related matters. Particular staff attention was given to the Joint Task Force on Housing and Health sponsored by the Department of Health, Education, and Welfare and the Housing and Home Finance Agency.

Other activities of this Office included the preparation of reports and educational and information materials for various components of the Services, other agencies of the Department, other departments, the public and the Congress.

Through this Office an article on a positive approach to health for older people, "How To Live 100 Healthy Years," was given wide distribution.

In order to carry out the recommendations of the task force appointed by the Surgeon General, the functions and staff of this Office were transferred on January 1, 1963, to the Division of Chronic Diseases to be incorporated into the newly organized Gerontology Branch.

C. COMMUNITY HEALTH SERVICES AND FACILITIES ACT PROJECT AND FORMULA GRANTS

1. Project grants

On October 5, 1961, the President signed the Community Health Services and Facilities Act, Public Law 87-395. This act, among other provisions, authorized the Surgeon General to make proper grants for studies, experiments, and demonstrations looking toward the development of new or improved methods or techniques of providing out-of-hospital services, particularly for the chronically ill and aged. As of December 31, 1962, 71 projects out of 258 applications submitted have been approved for funding with a total cost of \$3,687,774 for the first year of support.

State and local public agencies or nonprofit private agencies or organizations are eligible to apply for community health project grants. Grant requests have been approved from 23 States and local health agencies, 24 voluntary health and professional agencies, 10 hospitals, 11 educational institutions, and 3 national agencies. Forty-one States are represented in this group. The majority of the projects are centered in metropolitan areas, although eight studies or demonstrations are statewide or national in character and seven are in areas which are primarily rural.

Basic criteria for consideration of project support dictates that the proposal holds promise of contributing new or improved methods or techniques for providing out-of-hospital community health services. Particular emphasis is placed upon services for the chronically ill and aged. Studies, demonstrations, and experiments directed to the chronically ill and aged in the home comprise more than half of the projects. These concern provision of homemaker, nursing, dental, and rehabilitation services as well as the training of personnel to render such services. Other projects among those approved concentrate on organization for health service, coordination of community resources to meet health and medical needs, and referral services.

z. Formula grants

For fiscal year 1962, \$6 million was appropriated for allocation to State health departments on a formula basis, matching funds—50 cents in State funds for each \$1 in Federal funds. Payment requests amounted to 81 percent of the total available or \$4.8 million, with 24 States requesting the full amount of their allotment. State and local funds used to support activities amounted to approximately \$12 million.

For fiscal year 1963, \$13 million was appropriated for allocation to States; during the first 6 months, 51 States had budgeted approximately 75 percent or \$9.8 million of the total allotted.

Improvement or expansion of services to patients in nursing homes leads in activities supported by formula grants. These services include consultation to nursing home administrators and staff; training programs for nursing home personnel and development of educational and training materials; and strengthening of licensing, inspection, and standard-setting operations. Also, a majority of States are utilizing a portion of these funds for recruitment and training of professional and technical personnel to augment State and local health department staffing resources in this field. Other types of services frequently being supported with formula grant funds include: home care services; expansion of general chronic disease services; special surveys, studies, and data collection on needs, resources, and facilities; information and referral services, rehabilitation services; and direct assistance to local demonstrations and special projects.

The Division of Chronic Diseases is responsible for programing of formula grant funds.

DIVISION ACTIVITIES

A. DIVISION OF ACCIDENT PREVENTION

1. Studies

(a) *Development of accident prevention measures.*—A study has been initiated by the Pineallas County (St. Petersburg) Health Department and the Florida State Board of Health to provide information prerequisite to the development of accident prevention measures for the elderly. Equipment has been secured to measure speed factors in simple to highly complex psychological reactions involved in perception, integration, interpretation, and decision processes. Other equipment has been obtained to conduct studies of biochemical factors in accident causation.

Three studies currently underway concern: basic enzyme and nutritional status of elderly patients and domiciled males as an aid to understanding the aging process and its relevant roles in accident causation; biomechanics of gait and body movements in average daily living activities; and investigative epidemiology of accident experience of 2,500 households and 1,000 chronic disease hospitalized patients.

Three technical reports on problems of accidents to older people have been prepared for publication.

(b) *Social factors associated with accidents.*—This study being conducted in the greater Phillipsburg and Osceola Mills, Pa., area, by Pennsylvania State University, has developed and tested an interview approach to the social factors associated with accidents and has pointed the way to areas that may profitably be studied in depth, such as attitudes, including morale; sense of criticism and fatalism, major life disruptions; and the activities in which the aged participate. The accident experience of the 510 persons 65 years of age and older used for this study was explored and possible associations were determined between these accidents and selected social and demographic factors. Preliminary findings indicate a need for further study in this area before any conclusions are reached.

(c) *Home nursing study.*—Epidemiologic investigations are being conducted of accidental injuries to patients of 18 nursing homes in Philadelphia, Pa., and adjacent areas, by Pennsylvania State Health Department, accident prevention section, to provide exact knowledge of the extent of the problem, circumstances surrounding the accidents, and associated factors, such as environmental conditions, staff operations, and personal characteristics of patients. All injuries are being investigated toward the objective of developing new tools, new standards, and educational programs. Approximately 400 epidemiologic investigations have been completed to date.

(d) *Osteoporosis and possible relation to accidents.*—A study is being conducted of this bone disease as related to fractures, especially from fall, in older people. The project is being carried out at Henry Ford Hospital in Detroit. Having completed the screening phase to determine prevalence of osteoporosis, the study is about to enter the second phase which involves a followup of future accident experience.

2. Workshops and conferences

(a) *Workshop on driver licensing for senior citizens.*—At a recent regional workshop held in Dallas, Tex., on the medical aspects of driver licensure, co-sponsored by the Traffic Safety Branch of the Division and the American Association of Motor Vehicle Administration, State health officers and driver license administrators present agreed that senior citizens should be allowed to drive, without restrictions, as long as they demonstrate that they could do so safely. Issuance of restricted licenses for physical conditions was considered desirable under limited circumstances. However, with present limited staff available for evaluating medical conditions and the individual's competency to drive, the restricted license could rarely be used. Most discussants were opposed to legislation aimed at limiting the driving privileges of senior citizens and felt that problems in this area could be handled by existing administrative procedure.

(b) *Conference on flammability of fabrics.*—As an outgrowth of a conference on flammability of fabrics which was held in Boston, Mass., jointly sponsored by the division and the National Fire Protection Association, investigations are now proceeding for determining the practicability and usefulness with which flame-retardant fabrics can be used in nursing homes.

B. DIVISION OF CHRONIC DISEASES

1. General statement

There has been a general reorganization within this division to provide a strengthening of programs and services for the chronically ill and aged. The former Long-Term Illness Branch was divided into two new branches, the Gerontology Branch and the Nursing Home Branch. In addition, two new units for care and preventive services are being organized in the office of the chief. Other branches—cancer control, heart disease control, diabetes and arthritis, and neurological and sensory—remain unchanged.

The mission of the Division of Chronic Diseases is to develop programs to apply all available knowledge to combat disability and dependency, to develop community health services to aid those threatened with disability and dependency, and to stimulate research and the application of knowledge in advancing this overall mission.

2. Gerontology Branch

The creation of the Gerontology Branch in the Division of Chronic Diseases, in the fall of 1962, marks the first time an entire operating program within the Public Health Service has been geared exclusively to the development of comprehensive community health services for all persons over 45 years of age. This new branch is charged with providing leadership to create a national awareness of public health needs in the field of aging and for initiating and stimulating research and positive action programs at all levels—Federal, State, and local.

The basic objectives of the Gerontology Branch are to promote the health of the aging, to prevent or reduce the physical and social handicaps which now afflict them and minimize the severity of such handicaps for those who will be affected by chronic disease in years to come.

Programing at this time is being directed toward four problem areas: the need for statistical and research data on health problems of the aging and methods for solution of such problems; the need for professional and ancillary personnel trained in the principles and practices of health services for the aging and aged; the need for a broad range of community health services including both preventive and care services designed for or adapted to meeting the special health problems of the aging and aged; and the need for national awareness, understanding, and concern for health problems of the aging and aged.

3. Nursing Home and Related Facilities Branch

The goals of this Branch and its contribution to the mission of the Division of Chronic Diseases are to define services of nursing homes and related facilities,

to establish criteria for their utilization and standards for patient care and services, and to provide assistance in achieving these standards.

The activities which are reported on in the following section were completed while the Branch was still part of the long-term illness program.

(a) *Impact of services.*—At least 35 State departments of health have added one or more professional nurses to their staffs to provide nursing consultation to administrators of nursing homes and nurses in charge of nursing service, and to assist with inservice training for all levels of nursing personnel.

One or more consultation visits were made to 22 State departments of health to promote education and training programs for nursing personnel in nursing homes and/or assist in orientation of nursing consultants recently employed as consultant to nursing homes.

Currently, 23 States are employing either full-time or part-time physical therapists in conjunction with nursing home care upgrading. The service supplied is mainly educational and not direct treatment of the patient.

There is a strong trend toward preventing the disability caused by delayed treatment of a disease crisis. This will narrow the gap between demand for restorative care and supply of trained personnel.

(b) *Conferences, training, and other efforts to raise standards.*—(1) "Environmental sanitation in nursing homes": This activity during the latter half of fiscal 1962 involved pretesting of a course to be given through regional offices to the States for use of personnel in State and local health departments and State licensure agencies. The course is designed to more adequately train licensure staff in the techniques of environmental health inspection and consultation with the major emphasis on the consultative role of inspecting sanitarians.

(2) "A new system of expense accounting for nursing homes": Approximately 150 nursing home administrators and health department representatives were trained in the correct use of the system and method of reteaching it. To date 19 States have actually begun reteaching or have formalized plans to start in near future. In addition, 20 States have such plans in the developmental stage.

(3) "Nursing home administrators training course." The extension unit of the University of Oklahoma developed a 6-week course to train nursing home administrators in broad management and medical care techniques for nursing homes. The course was given to a controlled group of 36 students from June 22 to August 6, 1962. Student reaction to materials as well as faculty reaction to students is being carefully evaluated, and the course will be reviewed and re-taught incorporating indicated changes next year through utilization of local resources.

Under a similar arrangement, Michigan State University is developing a training course for nursing home administrators to be taught from June to August 1963. This course will incorporate changes recommended by the University of Oklahoma into its curriculum. The course will be given a controlled student group of 36, and their reactions will be evaluated before a final curriculum is developed and made available to States throughout the Nation.

(4) "Conference for nutritionists and dietary consultants working with nursing homes": This conference conducted by Michigan State University in cooperation with the LTI program has as its major objective more effective consultation to improve food service standards in nursing homes. Forty-three nutritionists and dietary consultants from 30 States participated in the 2-week conference.

(c) *Research projects.*—(1) "Hospital-Nursing home relationships": Hillcrest Medical Center (a local general hospital) located at Tulsa, Okla., entered into a contractual arrangement with a local nursing home (Tulsa County Nursing Home) to demonstrate how a hospital can render much-needed consultative services to a nursing home on a continuing basis. A unique feature of this particular project is the fact that interns and residents from the general hospital actually render medical care to the patients of the nursing home in a comprehensive teaching setting. This project is the last of 16 similar projects supported by the Public Health Service.

(2) "Development of affiliative agreements between hospitals and nursing homes": The Brookline, Mass., Health Department has attempted to marshal community resources into a uniform program to bring about better patient care in nursing homes. The core of this project is the development of close affiliative agreements between hospitals and nursing homes.

(d) *Materials and films.*—(1) "How To Be a Nursing Aid in a Nursing Home" (manual): This was moderately revised to incorporate some minor changes

recommended to Public Health Service. A flip chart has been prepared to be used in teaching the "four-step method of rapid teaching" to teacher-trainer students. Approximately five workshops have been held to train the teacher trainers. It is estimated that these teacher trainers will in turn be able to train approximately 8,000 nursing aids in the next year.

(2) "Pharmacy Manual" (manual): A manual of drug-handling procedures is under study by the Nursing Home Branch for preparation in conjunction with the American Pharmaceutical Association, the American Society of Hospital Pharmacists, the American College of Apothecaries, and the American Nursing Home Association. The purpose of the manual is to acquaint nursing home administrators with the correct techniques to be employed in handling the pharmaceuticals and to acquaint local pharmacists with their growing responsibility in pharmaceutical services to nursing homes.

(3) "Nursing Homes—An Annotated Reading List" (bibliography): Public Health Service Publication No. 907.

(4) "Working Together" (motion picture) (25 minutes, color): This was produced by the Public Health Service to demonstrate the principles of hospital-nursing home relationships.

(5) "Environmental Health Aspects of Nursing Homes" (motion picture) (15 minutes, color, sound): This was produced by Michigan State Health Department, through financial support from a Long-Term Illness grant. Film is used independently and in conjunction with course.

4. Long-term illness branch

(a) General statement.—Chronic disease, long-term illness, and disability compromise the bulk of the health problems of adults in their later maturity. The diseases which disable or kill the greatest number of the aged are heart disease, high blood pressure, cancer, arthritis, rheumatism, tuberculosis, diabetes, and glaucoma. According to national health survey data, 34 million persons 45 years and older of the civilian noninstitutionalized population have one or more chronic disease or conditions.

The extent and intensity of physical disabilities associated with chronic disease increase sharply with age. While more than half (53 percent) of the 70 million persons in the total population who are affected by one or more chronic conditions are under 45, the impairment from illness and disability is greatest in the 45 and older age group. Of those under 45 who have one or more chronic conditions, 14.5 percent have limitation of activity as compared to almost 30 percent in the 45 to 64 age group and over 57 percent of those 65 and over. One percent of those in the 45 and under age group who have one or more chronic conditions are so disabled that they are unable to carry on any major activity as compared to 5 percent in the 45 to 64 age group and almost 20 percent in the 65 and older group.

Not only do long-term illness and disability affect a disproportionately higher number of older persons as compared with the rest of the population, but there are significant qualitative differences in the health needs of older persons. From the physical standpoint, they have lowered resources, they more frequently suffer from a multiplicity of ailments and yet have fewer overt symptoms, and they respond more slowly and to a lesser degree to therapy. From a socio-economic point of view, the lowered income of the elderly relates to their health status. It affects the amount and kind of health services they receive, and it is undoubtedly a reason that a greater proportion of this age group live in undesirable (from a health standpoint) home surroundings. Also, the elderly frequently do not have persons at home to care for them during periods of illness. Psychologically, they do not respond in the same manner as younger persons to community health promotion programs, and they may not understand the need for or may lack the motivation to seek or follow through with rehabilitation or restorative services.

The categorical and general health services programs of the Public Health Service are designed to meet the needs of the total population including the aging and aged. However, because of the physiological, psychological, and socio-economic factors inherent in the health profile of the older person, special health services must be patterned to meet the special need of this age group.

Thus, through consultation with official and voluntary agencies at all levels—National, State, and local—the Branch has carried out a comprehensive program directed toward the galaxy of services needed by older persons; nursing care of the sick at home; homemakers' services; health education; preventive and restorative services; physical, occupational, and speech therapy; nutritional counseling; and social services.

The special projects for the health of aged described in the following section have now been placed under the administration of the new Gerontology Branch.

(b) *Special projects for services to the aged.*—(1) Utilization of the aged as manpower source: Brandeis University in Waltham, Mass., has launched an interesting health of the aged project to test the extent to which able-bodied older persons constitute a manpower resource for extension of health services for the chronically ill and aged. The goal of this senior citizen "domestic peace corps" project is to appraise the innate resources of the older person, as well as his needs, and to apply, in a positive fashion, the total personal resources of this group to cope with community health needs. Potential users of manpower include health departments, visiting nurse associations, and local hospitals.

(2) Hospital-based community health services for the aged: Sinai Hospital in Baltimore, Md., is developing central information and counseling services in its outpatient department. This program is intended to provide a central point through which older persons in the neighborhood can get help on social and medical needs. As an example of such activity, hearing aids are currently being provided to elderly individuals who could benefit from such an appliance. The project calls for the establishment of an adult health conference and multiple screening center as well as the provision of comprehensive inpatient care for the medically indigent and home care services.

(3) Senior citizens center-based social work and public health nursing service program: A project sponsored by the Lee House for Senior Citizens, Inc., in Seattle, Wash., will determine the contribution to individual and community health that can be made by a senior center which provides public health nursing services coordinated with social casework and social group work services. Socio-economic and health profiles of the aged will be developed by the staff, and the frequency of medical nursing and hospital visits before and after members join the senior center will be studied. Recreation and social services related to health will also come under the surveillance of this project.

(4) Housing project-based preventive health services and home nursing program: The Providence District Nursing Association working in a 300-unit housing project, Dexter Manor, Providence, R.I., is seeking to demonstrate the value of providing preventive health services to the chronically ill and aged living in this project. Services to be provided include bedside nursing, rehabilitative nursing and restorative services, nutritional counseling, health screening programs, plus social work and information service.

(5) Home for aged and chronically ill-based community health services program for a small community: Another approach to the development of central information, referral, and counseling services for the aged—this time in a small community—can be found in the project being carried out by the Mansfield Memorial Homes, Inc., in Mansfield, Ohio. The goal of this project is to establish a central community counseling and information service for social, physical, and recreational therapy. A unique feature of this project is the preparation of the community for the opening of a geriatric rehabilitation center next year. The medical social worker will provide the social evaluation of all patients being considered for services by the center.

(6) Podiatry program for the elderly: This project was launched in Philadelphia to "keep elderly people walking" so that they may continue normal communication and social relationships. Under this project, the Philadelphia Department of Health has established a podiatric educational, screening, treatment, and referral program for elderly persons who are members of senior centers or residents of housing projects. Foot conditions which may be symptomatic of a previously undiagnosed systemic disease will be identified. This project will also provide training for physicians in the examination and treatment of foot conditions common among the aged.

(c) *Other projects.*—In addition to the above described designed exclusively for the aged, 14 other projects which will benefit all population groups were programed by the former Long Term Illness Branch. All of these projects represent an approach to determining new methods of providing services to the chronically ill. They will serve as demonstration units for other agencies wishing to set up similar service projects.

(d) *Conference and workshops.*—(1) "Second Institute on Coordinated Home Care for Hospitals": This institute was held March 26-28 under auspices of Montefiore Hospital Association of Western Pennsylvania. There were 108 participants including faculty and resource consultants from hospitals, health departments, and other community agencies and from primarily educational institutions. The goals of the institute were: to increase understanding of

operation of hospital-based home care programs; to study a specific example of responsibility of various disciplines concerned: to learn about obstacles preventing development of home care programs; and to learn various ways in which programs may be implemented.

(2) "Second National Conference on Home Care": This conference was held December 1962. The initial care group working on this area of home care consisted of five national agencies—the American Hospital Association, American Medical Association, Blue Cross Commission, Blue Shield Medical Care Plans, and the Public Health Service. The group was recently expanded to include the American Public Health Association, the American Public Welfare Association, and the National League for Nursing.

(c) *Other program activities.*—(1) Training. To reach students in medical schools and schools of public health, special kits of reference materials were distributed to 13 medical schools and 2 schools of public health. These schools were selected to participate in a pilot project aimed at the development of various teaching tools for this purpose.

Financial assistance is being provided to the Kenny Rehabilitation Institute in Minneapolis for the development of resource materials to be used in the training of personnel who provide rehabilitation nursing and for the creation of programs for the training of the trainer.

(2) Inventory. The first annual nationwide inventory of nonprofit meals-on-wheels program was initiated.

(3) Survey. A one-time survey to determine the characteristics of recipients of meals on wheels was undertaken.

(f) Materials and films.—(1) "Care at Home" (film): A 26-minute, black and white film produced by the Public Health Service to show how one community (Pittsburgh) is providing services to the homebound.

(2) "Step into Action" (publication): This booklet is directed at the above-knee amputee. The purpose of this publication is to help the amputee understand such items as techniques of bandaging the stump and the need to follow through with specific exercises to assure maximum comfort and use of a prosthetic leg, in other words, to prevent disability. In press.

5. Other programs

The programs of the Division of Chronic Diseases carried out by the Heart Control Branch, Cancer Control Branch, Diabetes and Arthritis Branch, and the Neurological and Sensory Branch for the detection, control and treatment of these diseases are of benefit to the aging and aged, as well as to all other population groups.

C. DIVISION OF COMMUNITY HEALTH SERVICES

The functions of this Division relate to planning, coordinating, and evaluating effective means of developing, organizing, delivering, and financing a continuum of preventive, curative and restorative services for all age groups. During the past year several projects have been undertaken portions of which relate to the health care of the aged.

1. Studies

(a) *Contractual arrangements between health and welfare agencies for the provision or purchase of medical care.*—A joint study has been made with the Bureau of Family Services, Social Security Administration, of the seven States and other jurisdiction in which there are contractual arrangements between health and welfare agencies for the provision or purchase of medical care for needy persons. A report has been published on these cooperative activities between the two agencies involved.

(b) *Decreased use of nursing homes.*—In collaboration with National League for Nursing and the Division of Nursing, a study is in progress on the decreased use of nursing homes.

(c) *Use and cost of drugs.*—Studies have been initiated by the Division on the use of and expenditures for prescribed drugs in prepaid plans, by age, sex and diagnosis.

(d) *Utilization and cost of mental illness benefits.*—A study is underway on the utilization and cost of mental illness benefits under a major medical insurance contract. Data will be included on utilization as related to age.

(e) *Behavioral science health interagency planning study.*—A study has been initiated on relationships between a chronic disease hospital and other com-

munity agencies, groups, and institutions, with particular emphasis on coordination of services. Many older persons are included in the patient group, and it is believed that this study will give new insights into methods of interagency planning and cooperation.

2. Training

Special training grants to graduate schools of public health are being financed by the Division, including support for such programs as geriatric nursing and medical care administration.

D. DIVISION OF DENTAL PUBLIC HEALTH AND RESOURCES

1. Studies

(a) *Hospital-based dental programs.*—In the interest of stimulating the development of hospital-based dental programs in many communities, a demonstration project to provide comprehensive dental care for the chronically ill, aged, and handicapped persons was initiated in June 1962 at the Jewish Hospital in St. Louis, Mo. The program will provide needed data on a wide variety of factors related to the dental needs for these special patients, as well as to provide care for the patients and training for dental personnel.

(b) *Community program for home and clinic dental care.*—A 4-year study has been completed in Kansas City, Mo., of a prototype community dental program for the institutionalized and homebound chronically ill and aged who were brought to a central dental clinic or treated at home. Portable dental equipment and special treatment techniques for the provision of these services were developed.

The study proved that provision of home care services is feasible and that it actually requires only a minimum amount of additional training for the practicing dentist. Another significant finding was that where there are adequate transportation facilities, patients considered immobile can be brought to a dental clinic for treatment.

The results of this study have been summarized and published.

(c) *Nursing home program.*—In cooperation with the Beth Abraham Nursing Home and the home care program of the Montefiore Hospital, New York City, dental care was provided to over 400 long-term nursing home patients and 100 home care patients by the dental clinic of the nursing home and in the patients' own homes. Results of this study are now being evaluated.

(d) *Financing dental home care.*—Methods of financing home dental care are currently being investigated as part of a cooperative project of the PHS, the Western Reserve Dental School, and the Cleveland home care program. By the addition of dental care to an existing medical care program, the range of the program has been extended to include every medical and paramedical service. Private practitioners have been encouraged to provide home care dental services. For patients unable to pay, care is provided by supervised senior dental students.

2. Training

Twelve dental schools are participating in a study on special patient care programs. The purpose of these programs is to determine what should be taught and how dental students can be trained while in school to provide dental services for the chronically ill, aged, homebound, and handicapped, either in private or public clinics.

Since the beginning of these programs, nine additional schools have submitted applications to participate in the program.

3. Participation by other groups

The American Dental Association this year issued a statement on the recommended dental care for patients in nursing homes. The American Nursing Home Association has distributed over 5,000 copies of this statement to its members.

The American Dental Association has also been active in alerting its component societies to the needs of older citizens.

The Joint Council to Improve the Health Care of the Aged, a group composed of representatives of the American Dental Association, American Hospital Association, American Medical Association, and the American Nursing Home Association, has continued to help focus attention on the health needs of the aged and has presented dentists with an opportunity to act with purpose in helping to solve the chronic disease problem.

4. *Materials and films*

(a) Film: "Dental Care for the Chronically Ill and Aged." An 18-minute, training film on methods, procedures and equipment for dentists and dental students.

(b) Publication: A booklet, "Dental Care of the Chronically Ill and Aged—A Community Experiment" (PHS No. 899) has been released. This publication gives a detailed account of the 4-year Public Health Service study in Kansas City, Mo., of a prototype community dental program for the institutionalized and homebound chronically ill and aged. This report provides a comprehensive guide for the development of similar programs in other communities.

E. DIVISION OF HOSPITAL AND MEDICAL FACILITIES

1. *Objectives*

One of the primary aims of the Hill-Burton program, conducted by the Division of Hospital and Medical Facilities, is to stimulate the construction of such health facilities as are necessary to provide an efficient and well-coordinated network of services for those aged persons in need of acute care, long-term care, outpatient care and rehabilitation. While aged persons—like other segments of our population—require acute care as inpatients and outpatients of general hospitals as well as other health services, a crucial need exists for a larger volume of long-term care beds providing skilled nursing services under medical supervision. For this reason the Community Health Services and Facilities Act of 1961 (Public Law 87-395) doubled the appropriation authorization for construction of nursing homes from \$10 to \$20 million annually.

Substantial demands are made by aged persons for care in health facilities. For example, a recent Public Health Service study showed that persons aged 65 and over stayed on average of 14.7 days in general hospitals compared to 8.6 days for all ages. Also, almost one-half of the aged population reported some limitation of activity due to chronic conditions. Health facilities of all kinds, including nursing homes and rehabilitation facilities needed to treat these conditions are being constructed in increasing numbers of public agencies, nonprofit organizations and private groups.

2. *Types of projects approved*

During the period January-November 1962, a total of 6,022 chronic disease hospital and skilled nursing home beds, which are predominantly for the care of the aged, were approved for Federal aid under the Hill-Burton program. In addition, 16,808 general hospital beds, 663 mental hospital beds, 42 rehabilitation facilities, 71 diagnostic and treatment centers, and 41 public health centers have been approved to help meet the health needs of the aged as well as the general population.

3. *Funds available for construction of facilities and research*

(a) *Hill-Burton funds.*—In recognition of the need for additional health facilities for all population groups, including the aged, the appropriations for construction of such facilities under the Hill-Burton program reached an alltime high of \$220 million for fiscal year 1963. The amount of \$40 million was appropriated for construction of long-term care facilities, i.e., nursing homes and chronic disease hospitals; \$20 million for diagnostic and treatment centers, and \$10 million for rehabilitation facilities. In addition, \$150 million was made available for hospitals and public health centers.

(b) *Community Health Services and Facilities Act funds.*—With the passage of the Community Health Services and Facilities Act of 1961, health facilities research received new impetus. For fiscal year 1963, \$4,200,000 was available for the research and demonstration program. This legislation also made it possible for these research funds to be used to purchase special equipment or construct special facilities of an experimental nature.

4. *Special studies*

(a) *Ad Hoc Committee on long-term care.*—The final report of the Ad Hoc Committee on Areawide Planning of Facilities for long-term treatment and care is now ready for publication. This 17-member Committee was sponsored by the Division of Hospital and Medical Facilities, Division of Chronic Diseases, and the American Hospital Association to develop principles and guidelines for use by communities in developing adequate plans for meeting the needs of long-term patients.

(b) *Nursing home inventory.*—The national inventory of nursing homes and related facilities conducted in 1961 by the Division of Hospital and Medical Facilities reveals that there are now about 9,700 skilled nursing homes in the United States. Since the first inventory in 1954, the bed capacity in such homes has almost doubled, approximately 338,700 in 1961.

Total nonhospital facilities in the United States and possessions which provide nursing or supportive services to chronically ill and aging persons now number 23,000 with a total resident capacity of 592,800 beds; a 32-percent increase over 1954's total of 450,000 beds.

The final report of the findings will provide information on such characteristics of the facilities as type of service provided, size, ownership, and occupancy. This inventory was undertaken with the assistance of the Public Health Service regional offices and State agencies.

(c) *Factbook on nursing homes and related facilities.*—The Division of Hospital and Medical Facilities has been assigned the responsibility of compiling data from agencies within the Department and various published sources relating to nursing homes and related facilities, with special emphasis on skilled nursing care homes. This reference document will contain statistics on the number and characteristics of these facilities, and other background information on the characteristics of nursing home construction programs, noninstitutional services available to the chronically ill and aged, and personnel training programs.

5. Other services

In addition, the following services are of value to the health care of the aged:

Technical and professional consultation regarding all aspects of facility planning, design, and construction, is available to States, public agencies, and non-profit organizations.

Guide material, relating to the planning, design, equipping, and construction of health facilities, is developed and distributed.

6. Publications relating to aging

(a) *New publications.*—"State and local Surveys of Nursing Homes and Related Facilities: Annotations of Selected Studies," PHS publication No. 930-G-1, June 1962, 42 pages.

"Hospital-Nursing Home Relationships: Selected References Annotated," PHS publication No. 930-G-2, June 1962, 25 pages.

U.S. Department of Health, Education, and Welfare, Public Health Service. "Areawide Planning of Facilities for Long-Term Treatment and Care: Report of Joint Committee of the American Hospital Association and Public Health Service." PHS publication No. 930-B-1. Washington, D.C. U.S. Government Printing Office, 1963. (In press.)

(b) *Revisions of earlier publications.*—"General Standards of Construction and Equipment: Long-term Care Facilities." PHS publication No. 930-A-3.

"Public Health Service Regulations—Part 53: Pertaining to Hospital Survey and Construction (Hill-Burton) Legislation." PHS publication No. 930-A-1.

F. DIVISION OF NURSING

During the past year, eight 4-week workshops on rehabilitation nursing and on other special nursing problems involved in the care of patients with long-term illnesses were held in California, Florida, and Massachusetts. The 138 participants were for the most part staff public health nurses whose duties bring them into homes to teach patients and families the care of the chronically ill. More of these intensive educational programs are being planned for next year.

NATIONAL HEART INSTITUTE

SPECIAL REPORT ON AGING

The aging process is involved in the functioning of the heart and blood vessels in both their healthy and diseased states. The National Heart Institute, therefore, is closely associated with studies that bring new understanding on aging. They bear on the search for knowledge as to the effects of aging on the total performance capacity of the individual and as to basic biological processes of aging. Both the research conducted by the Institute and that supported through heart research grants are contributing substantially to the national research

attack on the vast problems of aging; and the Institute's activities in gerontology—the study of aging—form one of the most significant aspects of its program.

The National Heart Institute's Gerontology Branch, implemented originally by NHI in 1941 and transferred to the NHI after its establishment in 1948, is an outstanding gerontological research resource. Housed in the Baltimore City hospitals, it grew and developed as a part of the scientific and total community there, enjoying close cooperation and opportunities for valuable collaboration with the hospitals, the Johns Hopkins Medical School, the University of Maryland Medical School, and other institutions and agencies.

Studies in the Gerontology Branch explore the effects of aging on the whole organism, on individual organisms and tissues, and on individual cells and components. Subjects under study range from man down to the simplest protozoa.

Deterioration and death of cells, studies of the Branch show, appear to be caused at least partially by cellular structures called lysosomes. These structures are the storage sites for a group of enzymes that are able to break down proteins.

In 1957 long-range studies began to record the aging process in normal persons living active community lives. About 400 men, aged 24 to 99 years, devote 2 days every 18 months undergoing a series of physiological, psychological, and biochemical tests. Results of these studies indicate, among other things, that there is no evidence for sudden breakdowns in performance capacity at a certain age. Age changes develop slowly over a lifetime.

These and other investigations of both a basic and clinical research nature are continuing to produce new scientific information.

In the last fiscal year, an appropriation of \$1 million was made for planning a new research building on land adjacent to the Baltimore City hospitals. This new gerontological facility of the NHI will provide increased opportunity for expanded research in aging and will make possible the collaboration of many research disciplines. Furthermore, the new facility will serve as a regional, national, and international research resource and represent one of the most comprehensive endeavors in the whole field of gerontology.

Through its extramural program, the Institute is also aiding the support of research in universities and medical centers directed at the problems of aging and aspects of the complex of heart and blood vessel disorders related to the aging process. The studies thus supported range also from basic research, such as that in cellular organisms to collaborative studies of organ systems in the human and of groups of older persons. The NHI is supporting some 41 research projects in the field of aging, through heart research grants, and these are contributing invaluable to the accumulating storehouse of knowledge on aging.

NATIONAL INSTITUTE OF MENTAL HEALTH

SPECIAL REPORT ON AGING

The National Institute of Mental Health program of extramural support of studies of aging and the aged encompasses a wide range of investigations that call for the skills of many types of scientific personnel. During fiscal year 1962, the NIMH supported 44 projects in this area.

The 44 grant-supported NIMH studies may be categorized in the following way: 10 studies were concerned with the needs of the elderly and with problems of therapy and rehabilitation; 10 studies concerned the course of normal aging and personality, and the social adjustment of the elderly; 9 studies were of performance involving cognition, perception, and attitudes; and 8 studies were involved with the effects of drugs on the elderly, or with the functioning of the central nervous system, including brain biochemistry. Two projects were supported as multidisciplinary research center grants and five other projects were too varied to be classified into categories.

A few examples of results of grant-supported studies have been selected to indicate how the NIMH is pursuing its research mission in the field of aging. One major interdisciplinary research project that is centered around a medical and scientific staff of a medical school has been concerned with a large number of problems ranging from health maintenance of the aged to measurements of action potentials of skeletal muscles. A promising series of studies in this project involves the relation between electrical brain wave

recordings (EEG) and performance, and between EEG and overall health. Other psychophysiological indices of central nervous system functioning have also been studied. One of the many findings of the project was that aged people may show a lower overall level of central nervous system functioning which tends to be associated with lower cognitive functioning. Health status was found to affect the EEG pattern.

Another example may be seen by a study in which effort was directed toward evaluating the possible effects of psychopharmacological agents upon the well-being of aged patients. The two drugs selected for evaluation were thioridazine and dextra-amphetamine. The former can roughly be classified as a tranquilizer and the latter as a stimulant. Briefly, while the pharmacological agents did not have systematic effect on cognitive functioning, there were changes of mood, of self-judgment, and of interpersonal behavior. The tranquilized patients showed increases in effect while the stimulated patients showed decline. In an aspect of self-judgment, the tranquilizer improved performance and the stimulant decreased performance. In interpersonal behavior, interpersonal rapport tended to be improved by the stimulants and to deteriorate by the tranquilizer.

A last example may be seen in a study of psychological and sociological factors in successful aging. The study of successful aging is continuing along two main courses. One course involves the person and the other course involves people who are significant in the life of the person. The latter course is just now being embarked on, the former course has produced some important leads for investigation. It was determined that with age there is often and normally found a process of disengaging or uninvolving one's self from the many currents of life's activities and contacts. An examination will be made of the proposal that this disengagement occurs at different times and in different ways in persons of differing social circumstances, differing initial personalities, and differing levels of morale and life satisfaction.

These three examples were chosen to indicate the broad scope of interest that the NIMH has in the study of the aging and the aged. Another indicator of the extent of NIMH's interest and involvement in the support of such studies is seen from an examination of data provided by the Science Information Exchange. The number of NIMH grants on the psychiatric, psychological and social aspects of aging represented one-third of the total number of Government-supported grants in these areas.

In addition to the extensive extramural involvement of NIMH in research on aging and the aged, there is an active program of intramural research.

The Section of Aging of the Laboratory of Psychology carries out research on changes in behavioral capacities with age. Scientific personnel of this section collaborate with other Government agencies in investigating aspects of aging. A study in collaboration with the Federal Aviation Agency involved the correlation of psychological and vascular functions in relatively healthy men between the ages of 23 and 60 years. It was found that psychological functions varied with age to a greater degree than did physiological functions.

The role of set, or preparation to respond, has been investigated in several aging studies. It was found that in performing perceptual tasks, elderly men, when given appropriate structured sets rather than the opportunity to develop sets spontaneously, may perform with minimum difficulty. As uncertainty is introduced, however, older men find the task relatively more difficult. It was also found that in solving problems, aged people tended to have difficulty in holding well defined and clearly understood goal-direction when required to shift set from problem to problem. In addition, the aged as a group appeared to find it difficult to invent rather obvious techniques for dealing with complex problems.

Studies on age have also been carried out with rats as subjects. The proposition that was investigated in several studies had to do with the alleged inability of older animals to reverse or modify performance. While some evidence was found to confirm such a proposition, the results were not conclusive. Another series of rat studies was performed to investigate the effects of X-irradiation and of drugs. The results were promising enough to plan a continuation which involves rats of different ages.

It may be said, in summary, that the Section's efforts in investigating changes in behavioral capacities as a function of age are directed toward both theoretical and practical considerations. In general, the studies of man are concerned with age-related changes in behavior that are controlled by hypothetical age-related changes in the central nervous system. The studies in the rat attempt to sys-

tematize practical considerations, such as the effect of environmental factors and drugs on performance in relation to aging.

It is clear that the combined extramural and intramural commitment of the NIMH to aging research is extensive and impressive. The increasing number of projects receiving support indicates that more and more scientists are entering this important mental health area.

CENTER FOR AGING RESEARCH, NIH

The Center for Aging Research was created in 1956 to serve as a focus for research in aging at the National Institutes of Health. Although the Center has not been given the responsibility for either conducting or supporting research, it has served as a staff unit to collect and disseminate information related to research in aging; to stimulate and assist in the development of new research projects in gerontology at universities, medical centers, and various other research organizations in this country and abroad; and provide liaison between the intramural and extramural programs of the National Institutes of Health, the other divisions and bureaus of the Department of Health, Education, and Welfare, and other Federal agencies and organizations supporting programs in aging.

Through its review of applications for grants, its annual tabulations of active research projects, the Center has also functioned to point up areas in the field of gerontology needing new or additional emphasis.

The responsibilities and functions of the Center for Aging Research, formerly a part of the Division of General Medical Sciences, were assimilated by the new National Institute of Child Health and Human Development (NICHD) when this Institute was established by the Surgeon General of the Public Health Service in February 1963.

In addition to assuming the functions of the Center, the new Institute will provide direct support for appropriate gerontological research and training through grants to universities, medical centers, and research institutions.

Current plans call for the National Institute of Child Health and Human Development to undertake a program of research in aging designed to provide additional emphasis and support for research into the basic aspects—including the biological, medical, and behavioral—of the aging processes. The categorical Institutes, all of which are now supporting some research related to aging, will continue their support of research on the specific diseases commonly associated with the later years of life.

Analysis of the current research into the aging processes in this country has emphasized the limited character and extent of solid fundamental work in this field and the relevant underlying sciences. This analysis has also shown that the group of investigators involved in current studies is small but intensely motivated.

It seems likely that development of a research program on aging in the new Institute in those areas that are peculiarly related to problems of the aging process will center initially around those very few people now effectively active in the field, using them as foci for broader development.

Changes in professional staff and plans for incorporating the functions of the Center into the proposed National Institute of Child Health and Human Development necessitated reevaluation of the Center's activities. This evaluation continues as part of the planning and development of the new Institute's research activities and support.

One of the important functions of the Center for Aging Research has been the collection and distribution of information related to research in aging. During the year, three annual publications, *Activities of the NIH in the Field of Gerontology*, *Research Programs in Aging*, and *Research Highlights in Aging*, were distributed widely to scientists concerned with gerontology. In addition, two translations of Russian gerontological literature were published and distributed through the Center. These were "Aging of the Organism at the Molecular Level," by Zh. Medvedev of the Timiriasev Agricultural Academy, and "Second Conference on Gerontology and Geriatrics, Moscow 1960."

The new Institute will have as part of its Technical Communications Branch a unit designated as an "Aging Research Information Center," which will continue the information function of the present Center for Aging Research.

The extent of extramural research in the field of aging supported by the National Institutes of Health continued to grow during 1963. The following

tables prepared by the Center for Aging Research provide a breakdown of NIH extramural research and training grants supported by the individual Institutes; and the growth of such support between 1958 and 1963. The figures in these tables refer only to those research and training grants primarily related to the aging process, and do not include those secondarily related grants.

The following table shows the number and annual dollar volume of research and training grants in aging that were active on January 31, 1963. The fiscal year columns indicate the appropriation from which funds were derived to support these projects, although this table essentially reflects calendar year activity. The date of January 31 was chosen in order to include the actions of the November meetings of the National Advisory Councils.

TABLE I.—*NIH extramural research and training grants in aging, active as of Jan. 31, 1963*¹

Institute	Number	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Total
DGMS ²	67	\$4,025	\$1,162,978	\$1,476,480	\$2,643,483
NCI	13		262,305	194,784	457,089
NHL	75	156,919	805,505	2,552,893	3,516,317
NIAD	18		103,387	180,254	283,641
NIAMD	70		305,996	1,030,115	1,337,111
NIDR	18		111,823	100,189	212,012
NIMH	45	35,057	590,180	816,300	1,441,537
NINDB	39		294,836	440,818	735,654
Total	345	196,001	3,639,010	6,791,833	10,626,844

¹ Prepared by the Center for Aging Research. Previous reports of research and training grants referred to those "primarily" and "secondarily" related to aging. This table reflects essentially those primarily related.

² Division of General Medical Sciences.

The extent of extramural research in the field of aging, as of January 31, for the years 1958 through 1963 is indicated by the following table, listing the number of projects and their dollar volume.

TABLE II.—*NIH extramural research and training grants in aging*

[Primarily related to aging]

Year	Number of grants	Value	Year	Number of grants	Value
1958	131	\$2,266,371	1961	245	\$5,740,656
1959	197	4,133,980	1962	306	8,457,498
1960	244	5,560,898	1963	345	10,626,844

Source: Prepared by the Center for Aging Research.

ST. ELIZABETHS HOSPITAL

St. Elizabeths Hospital, located in Washington, D.C., has been providing care and treatment for mentally ill beneficiaries of the Federal Government and residents of the District of Columbia since January 1855.

Patients at St. Elizabeths who are age 65 and over, can be divided into two groups. The first consists of those who were geriatric patients when admitted. Most of these patients have chronic brain syndromes associated with cerebral arteriosclerosis or senile psychoses and may have other serious physical disabilities as well. The second group consists of patients who were admitted when relatively young and have grown old in the hospital. Most of this second group were originally admitted with a diagnosis of schizophrenia. They have since undergone the same organic, central nervous system and other functional changes common to the aged.

Of the 6,617 patients in St. Elizabeths at the close of fiscal year 1962, 2,178 or 33 percent were age 65 or over. In view of the large number of aged patients the hospital is called on to treat, 1 of the 12 psychiatric services is devoted exclusively to geriatric patients, and operates as a separate clinical branch. This service was first established in 1951 with the opening of

a newly constructed geriatric building. For several years it provided only continued treatment to its patients, all of whom had already been admitted to other services. In 1955, however, the geriatric service began admitting patients directly and in 1956 a second building was added. At the present time, nearly all new patients aged 64 or over are admitted to this service which has a capacity of 828 beds. During fiscal year 1962, two new wards were activated within the present buildings. The first, a 25-bed ward, receives all new admissions. The surroundings are designed to promote a more comfortable feeling for the newly admitted patient and facilities for a more thorough physical and psychiatric evaluation than had previously been possible. A second ward of 24 beds was established for patients requiring long-term intensive bedside nursing care. An increase in chaplaincy personnel has enabled more individual visits, and greater religious support on both a long- and short-term basis. Increases in the number of volunteers, as a result of hospital efforts along this line, has given the aged patients a variety of evening activities in which they can participate. The assignment of occupational therapy summer students has provided regularly scheduled therapy activities throughout the day for at least 3 months of the year. Formerly, services of this type were not available to the geriatric service. Social service personnel assigned here have materially improved the hospital's working relationships with selected nursing homes so that nursing home operators have been more willing to accept patients who have been in a mental hospital. The result has been a noticeable improvement in the types of placements for patients considered well enough to live outside the hospital setting. All of these improvements during the past year have taken into account the total welfare of the geriatric patient, realizing that his problems have considerably more than psychiatric or medical implications.

Although the medicine and surgery branch accommodates a comparatively small portion of the total geriatric population at any given time, the unusually high patient turnover, common to a facility of this type, as compared to a psychiatric service, results in a substantial proportion of the hospital's elderly patient population being treated there at some time during the year. In addition to its normal patient treatment functions, the medicine and surgery branch is a fully accredited teaching general hospital for medical, paramedical, and surgical disciplines. Furthermore, most of its professional staff members are appointees to the George Washington University Medical School teaching staff, in capacities ranging from assistant professorships to instructors. The presence of (1) a substantial patient population over age 65, (2) students and trainees in the various medical disciplines and (3) active participation by staff members in outside teaching have resulted in substantial contributions to the Nation's knowledge of diseases of the aging. Among the many tangible results of this combination of factors have been the publication of several papers pertaining to medical problems of the aged.

Construction of a 250-bed treatment and cafeteria building for patients with physical as well as psychiatric infirmities has been completed. This building will be equipped, staffed, and ready for occupancy this year. The new structure will be programed and directed primarily for physical medicine and rehabilitation. Although its facilities will be available to all age groups, it is anticipated that 75 percent of the patients treated herein will be geriatric cases. Services rendered will include physical medicine, vocational rehabilitation, functional and diversional occupational therapy, general medicine and surgery, and related rehabilitative activities. Among the available facilities will be a dental clinic, laboratory, and X-ray unit. As in other areas of the hospital, treatment commensurate with age and physical condition will be given for all aspects of the patient's disabilities, including his loss of social contact and lack of occupational skills. Operation of the new facility will afford expanded training and research opportunities in the broad field of rehabilitation.

In summary, St. Elizabeths has endeavored to meet problems of the aging in the areas of care, research, and training, with the objective of improving the lot of its own patients while contributing to the Nation's reserve of knowledge and manpower in the broad field of geriatrics.

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

OBJECTIVES

The purpose of the old-age, survivors, and disability insurance program is to pay benefits to insured workers and their families where they have suffered

a loss of earnings due to retirement in old age, the death of the insured worker, or an extended and severe disability. The program is financed by contributions from wage earners and their employers and the self-employed, with benefit rights being clearly defined by law.

SERVICES AND BENEFITS TO OLDER PERSONS

Monthly benefits are payable: (1) To insured workers up to 65 years of age who have worked a specified period of time in covered employment and have a medically determinable disability which is of indefinite duration and so severe that it prevents them from engaging in any substantial gainful activity; and (2) to insured workers between ages of 62 and 72 who have substantially retired from gainful employment and beginning at age 72 without regard to work status. Benefits are also paid to wives of beneficiaries at or after age 62 and to widows of insured workers when they reach age 62. Children of retired, deceased, or disabled workers are also eligible for benefits when they are under age 18, and after age 18 if they have a severe disability which began before that age and which has made it impossible for them to work and support themselves. Benefits are paid to mothers (irrespective of their age) when they have such children in their care.

Local district offices have responsibility for giving information to all inquirers about the various types of benefits and the conditions governing their receipt, and for disseminating information about the program through the press, radio, and other communications media. Persons filing claims are informed of their rights and responsibilities and are given help in securing the factual information necessary to determine eligibility for benefits. For those adult beneficiaries who are determined to be incapable of managing their benefit funds, usually as evidenced by a physician's statement, a person is selected to receive the checks with responsibility for using them in the best interest of the beneficiary.

Of the 18 million beneficiaries receiving monthly old-age, survivors, and disability insurance benefits at the end of December 1962, 14.2 million were aged 62 or older. About 78 percent of all persons now 65 and over are either receiving old-age and survivors insurance benefits or would be eligible for benefits on retirement. This proportion will grow until practically all aged persons are protected. The number of disabled persons and their dependents receiving disability benefits in June 1962 totaled 1,152,000. Most benefits now being awarded are computed using the higher earnings after 1950. These monthly benefits at the end of June 1962, averaged \$80 for a retired worker without eligible dependents; \$135 for a retired couple; and \$76 for an aged widow. The average benefits for all those on the rolls, including those whose benefits are based on earnings before 1951 was \$72 for a retired worker without eligible dependents, \$127 for a retired couple, and \$65 for an aged widow. Future benefit levels will be more like present awards than the averages for all present beneficiaries.

SERVICES TO GROUPS AND OFFICIALS

The Bureau of Old-Age and Survivors Insurance analyzes the effectiveness of the old-age, survivors, and disability insurance program in providing economic security for the aged. A continuing statistical and research program provides data which are useful in identifying needs and in planning services for older persons. Basic information is obtained, for example, on employment and earnings of older workers, and, for the aged on their expenditures, their income, assets, living arrangements and other circumstances that show how they get along. These data, as well as information about benefit levels, numbers of beneficiaries, etc., are available for use by groups and officials planning for the aged.

The old-age, survivors, and disability insurance program is nationally administered. Local communities are served by 612 district offices and over 3,600 resident and contact stations (as of January 1963). District offices keep informed about available community resources and refer to them persons who ask for help on problems which are not directly connected with their application for or receipt of benefits. District office staff members also cooperate with others in planning for the development of community resources for the aging, reflecting the needs of older persons as they become known in the OASDI program.

The welfare branch in the Division of Claims Policy has responsibility for representing the Bureau in planning with other national groups and agencies to have services available to older people who need them, for development of

policies governing selection of payees for persons determined not to be capable of managing their benefit funds, for developing policies and procedures for periodic accounting for use of funds by representative payees, for providing guidelines and help to district offices as they work cooperatively with other public and private agencies to make available services to other people in the communities where they live, and for participation in overall Federal planning for older persons and in task force activities directed toward coordination of efforts to have services available between and among Federal programs.

BUREAU OF FAMILY SERVICES

I. PROBLEMS OF THE AGING

The Bureau of Family Services administers grants for two programs directly concerned with the aged—old-age assistance and medical assistance for the aged. Other programs administered by the Bureau in which aged blind and aged handicapped are assisted are the aid to the blind and aid to the permanently and totally disabled programs.

1. *Old age assistance*

This is a program that assists aged needy individuals by providing financial assistance, medical care and social services to help them to attain or retain self-care. All 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands have the old age assistance program.

Approximately 2,279,170 persons age 65 and over received old age assistance in October 1962 which represents approximately 7.5 percent of the population age 65 and over.

While the majority of the needy aged continue to live in small communities or rural areas, a slightly higher proportion of persons receiving old age assistance lived in metropolitan counties in 1960 than in 1953 based on studies made of the characteristics and financial circumstances of old age assistance recipients in each of these years. During this period, the median age of these recipients increased 1.6 years to 76.4 years; 4.3 years more than the median for the total population age 65 and over. The increase from 1953 to 1960 in the average age of persons receiving old age assistance was accompanied by a change in their mobility status and need for care from others, with the proportion of those needing help from others because of some physical or mental disability increasing from 14.3 percent to 18.6 percent.

Recipients living alone in their own homes increased from 26.5 percent of all recipients in 1953 to 30.4 percent in 1960. There was an increase in the proportion of those living in institutions from 4.7 percent in 1953 to 8.8 percent in 1960. In summary, they were older, less mobile with an increasing manifestation of chronic illness.

Some of the more specific problems included—

(1) Limited income remains the No. 1 problem. The average monthly payment varies from a low of \$9.16 (Puerto Rico) to a high of \$106.22 (California) and the national average payment was \$75.31 in October 1962.

(2) The increase in age of recipients of public assistance and in the increasing need of older people who are bedfast and chairfast for help from others reflected in the trends noted above, illustrates an increasing need for services to help older people continue to remain in their own homes or communities.

(3) The gradual increase in the numbers of older recipients living alone in their own homes, particularly in metropolitan areas, where they may lack the ready resources of relatives and friends, or may need assistance from others because of a loss in their ability to continue to manage their money and to carry on the ordinary activities of daily living, indicates the development of a situation involving a gradually increasing percentage of older people who may require social and legal protection. To meet these specific problems and needs of older people, steps were taken by the Congress to provide, in Public Law 87-543 the Public Welfare Amendments of 1962, opportunities to States administering the public assistance program to secure additional Federal matching funds at 75 percent. States will thus be enabled to increase the number and training of staff to provide additional services to meet the needs of older recipients.

2. *Medical assistance for the aged*

This is a program to provide for medical care needs of lower income older citizens not on old-age assistance rolls whose income and resources may be sufficient for their maintenance needs but insufficient to meet the cost of necessary medical services.

This program, in operation since October 1, 1960, reflects the Nation's concern with the plight of a considerable segment of the older population who are able to carry out the activities of daily living, but unable to meet a medical emergency involving serious illness. These are persons who cannot pay for adequate medical care, principally because of limited income, and need help to do so.

In October 1962, 2 years after the proposed legislation became law, 25 States and 3 territories made payments in behalf of 114,657 persons, totaling \$24,225,415 (average payment \$211.29): Alabama, Arkansas, California, Connecticut, Guam, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Utah, Vermont, Virgin Islands, Washington, and West Virginia.

II. ACCOMPLISHMENTS

1. The Bureau of Family Services recognizes the needs of older persons and, as the result of the passage of the Public Welfare Amendments of 1962, is in the position of offering to State agencies carrying out the public assistance program, the opportunity to provide increased social services to meet the needs of older clients of public welfare.

As of September 1, 1962, States may elect to provide certain services prescribed by the Secretary, Department of Health, Education, and Welfare, to groups of recipients in the adult categories and thereby receive three Federal dollars for each dollar the State puts into the program. States have been informed that these prescribed services, and specified services as well, have been identified as follows: services for aged and disabled adults in need of protection; services required to assist aged and disabled adults to enable them to remain in or return to their own homes or communities; and services to blind and other disabled adults with potentials for self-support in whole or in part. Policy and guide material has already been or is in process of being sent to States to assist them in implementing the new public welfare legislation.

2. A special report entitled "Medical Care Under Public Assistance, October 1960 to October 1961" outlining progress in implementing Public Law 86-778 (Kerr-Mills legislation) during the first year was forwarded by the Secretary, Department of Health, Education, and Welfare, to the Congress as requested by the Committee on Ways and Means of the House of Representatives. Consultation to States from the Bureau to interpret the new legislation and to assist them in implementing it continues.

3. The Bureau completed the study of characteristics and financial circumstances of recipients of old-age assistance with the publication in June 1962 of part II, titled "State Data." Tables in the report show characteristics of old-age assistance recipients by State, were derived from reports submitted by State agencies administering the public-assistance program and reflect such topics as age, sex, race, marital status, place of residence, mobility status, living arrangements, housing characteristics, etc.

4. The Bureau has recently published in pamphlet form, a summary of these characteristics. The pamphlet is titled "Old-Age Assistance—The People It Helps and How They Live."

5. The Bureau was a joint sponsor of a national level seminar, held at Arden House, Harriman, N.Y., 1962, on the subject of "Community Planning" at the State level. One hundred representatives of central planning bodies and direct service agencies, including public welfare, attended the meeting. The purpose of the seminar was to increase knowledge and skills and establish guidelines for central planning and direct service agencies, at the State level in their use of the community organization functions to develop and expand services for and on behalf of older people. A report of the seminar will be issued shortly.

6. "A Guide Statement on Protective Services for Older Adults" has just been released by the Committee on Aging of the American Public Welfare Association. Staff of the Bureau participated in the preparation of this document through membership in the group which prepared the statement.

7. A series of institutes have been conducted by staff of the Bureau relating to the needs of older and handicapped adults and the services required to meet their needs. Institutes were conducted for State and local public welfare agency staff on such topics as: "Filial Responsibility" (State conference of social welfare, Chicago, Ill.), "Casework" (State board of public welfare, Raleigh, N.C.), "Social Services" (State leadership training conference, Kingston, R.I.).

8. Bureau staff represented Bureau interests in aging through participation as speakers or in other activities as a number of meetings: Michigan Welfare League, Detroit, Mich. (stressed the importance of the new public welfare amendments in the provision of services to older people); National Gerontological Society, Miami, Fla.; AMA First National Congress on Mental Illness, Chicago, Ill.; National Rehabilitation Association, Detroit, Mich.; Rhode Island State Conference of Social Work, Providence, R.I. (considered the place of the older person in family life).

9. Bureau staff from the central office served as consultants to the State and local departments of public welfare staff in reviewing the "Project on Comprehensive Services to Older People," initiated by the Forsythe County Department of Public Welfare (North Carolina). This project was established under a private grant plus Federal and State funds to identify the scope of services necessary to enable older people to continue to carry on the normal activities of everyday living.

III. FUTURE PLANS

1. *Studies, reports, and publications.*—The Bureau has in preparation, a document on foster family care for aged and other adults. This document will consider the use of other living arrangements for older people on the public assistance caseload who find it necessary to seek same outside of their own homes.

The document will contain guide materials for use of those planning suitable living arrangements for older people on public welfare in the more than 3,000 counties in the country.

The development of the document is related to one of the principal aims of the public assistance program, that is, to maintain older and handicapped public assistance recipients in the community as long as possible.

2. The Bureau has in preparation an informational document on protective services for older people. This document will consider the needs of certain people who no longer are able to manage for themselves and need protective services. The nature and scope of these protective services and the roles and relationships of State and local welfare departments in the provision of a broad range of services to this group will also be delineated.

3. The Bureau has in preparation of a document on the institutional care needs of the aged and the disabled—the report of a series of regional meetings dealing with the experiences of State public welfare agencies that have public assistance clients in nursing homes and homes for the aged. Over half of the residents of such institutions are recipients of public assistance and State agencies have been concerned about standards of care, services provided, safety of facilities and rates of payment, all of which are important considerations to public welfare clients who are residents in these institutions.

4. Consultation: A series of regional meetings on the new social service policy is being planned. These meetings will help State staff to understand the nature and scope of services prescribed by the Secretary, DHEW, and help them consider ways of implementing them. The first of such regional meetings was held in region VIII (Denver, Colo.) State agency staff from Idaho, Montana, Colorado, Wyoming, and Utah attended. Purpose was introduction to State staff an interpretation of published handbook material on social services to be prescribed and specified for 75 percent Federal matching those services relating to problems of older and handicapped adults including: protective services, services to remain in or return to their own homes and services to blind and other disabled individuals with potential for self-support. This meeting is one of a series of regional meetings on this topic to be held over the next year to acquaint States with the new services under Public Law 87-543. Succeeding meetings will be held in Regions I, II, III, IV, V, VI, VII and IX, by staff of the Bureau and will involve State staff responsible for service programs for and on behalf of older adults.

Other institutes planned include one for State and local staff of the Department of Public Welfare, State of Ohio, in Columbus Ohio, on services for and on behalf of older people.

5. Cooperative work with other agencies: American Public Welfare Association (APWA)—Committee on Aging. In addition to working on the guide statement on protective services for older adults (identified above) Bureau staff have been engaged in the preparation of a study on State experience in providing protective services to older adults. This study will be sent to State welfare departments and the results of the study shared by the two sponsors of the study—the Bureau of Family Services and the American Public Welfare Association.

National Council on Aging (NCOA): A staff member continues to serve as a member of the Advisory Committee of the American Association of Homes for the Aged which has recently adopted a statement of purpose, goals, and responsibilities of the association to the development of which the advisory committee contributed.

Two Bureau staff members have served on the committee planning the national seminar on protective services to older people. This seminar, to be held on the Columbia University campus at Arden House, Harriman, N.Y., is being cosponsored by 10 national agencies and organizations of which the Bureau of Family Services is one. The seminar will invite 100 participants including lawyers, social workers, and representatives of the health profession to meet to mobilize the collective knowledge and experience at all levels to develop national guidelines for those working with the problem of older people who are unable to manage their affairs without assistance from others.

Liaison is maintained with the Family Service Association of America (project on aging), American Association of Retired Persons, and other national agencies and organizations carrying on programs for or on behalf of the aged.

OFFICE OF AGING

On January 28, 1963, the special staff on aging in the Office of the Secretary was transferred, under the reorganization plan of the Department, to the newly created Welfare Administration and was designated the Office of Aging. This reorganization will enable the Office to carry out its functions more effectively; the program will be strengthened and it will be assured of stability thus providing a foundation for future expansion.

The staff of the Office of Aging has been more effectively organized and substantially expanded during the past year. It was organized into three main divisions—Field Services, Information, and Research and Training; and the staff now consists of 26 professional members, including a representative on aging in each of the 9 regional offices, and 22 clerical members. Responsibility for directing the regional representatives on aging was placed in the Office of Aging. They represent the Office in the regions and have program responsibility for providing stimulation and leadership in developing and coordinating regional activities relating to aging, and for strengthening and supporting State and local organizations on aging throughout the regions.

In fiscal year 1963 the Office's program objectives were twofold: (1) To close the gap between knowledge and practice in the field of aging and (2) to establish aging programs in the communities where the older people live. These objectives were achieved by—

(1) Increased dissemination of information about aging and aging programs to professionals in the field, community leaders, and older people themselves through improvement and expansion of the monthly news magazine *Aging*; the initiation of three new series publications—Selected References in *Aging*, *Facts on Aging*, and *Highlights of Legislation on Aging*; the issuance of publications such as *Health, Education, and Welfare Programs for Senior Citizens in 1962*.

(2) Provision of services of a reference library which includes films, radio and TV tapes, pamphlets, and other material from State, local, and voluntary agencies as well as books and magazines on aging.

(3) Preparation of curricula in social gerontology and in management of housing facilities of older people. The staff has assisted 25 universities in establishing institutes of gerontology and building up the necessary courses. As a result of our staff's work with them, over 160 universities, colleges, and professional schools in all parts of the country have set up training programs during the past 10 years.

(4) Organization of a 3-day conference in Washington for State executives on aging to plan and strengthen State-Federal partnership programs for senior citizens. Through the regional representatives on aging, the Office maintained con-

tinuing contact with the State executives on aging, assisted in 81 regional meetings on aging, and made an estimated 1,500 personal consultations with State and local governments and with voluntary and philanthropic organizations with an interest in aging. The Office employed a specialist in the Washington office to establish and maintain liaison with national voluntary organizations. Close working relationships with over 60 organizations has already been established.

(5) Provision of technical aid to States which helped in establishing a new total of 33 permanent State commissions or committees on aging and 12 temporary ones. Five States are now considering legislation to establish aging commissions.

The past year witnessed a phenomenal increase in the number of communities with coordinating and stimulatory committees or councils on aging from 521 to 839. The Office of Aging worked directly with many of these communities in creating councils on aging and it was indirectly instrumental in the establishment of many of the others.

The Office organized a panel of consultants of 29 leading citizens, nationally known for their activities on behalf of senior citizens. This panel was appointed by the Secretary of Health, Education, and Welfare to review Department's aging programs and its proper future course of action. The panel's first meeting resulted in 31 recommendations: 23 of these are now being carried out by the operating agencies and the Office of Aging—the remaining 8 being deferred pending study or legislation. The members of this panel also assisted in developing basic plans for the National Service Corps, which the Office believes will bring needed volunteers into local programs for the elderly and will draw upon senior citizens as an important source of volunteers.

The HEW Departmental Committee on Aging was reactivated by the Office of Aging, whose Director serves as Chairman of the Committee. The Committee now holds monthly meetings and work assignments are made to plan ways of strengthening total HEW programs in aging and to assist each constituent agency in strengthening its own aging program.

FUTURE PLANS

The broadened program which is being developed during fiscal year 1963 will call for much intensive followup work in 1964. For example:

Several new issues of the series publications have been requested.

Written guidelines on Federal-aid programs are also in demand.

The additional work with universities and other training facilities has made it almost mandatory to develop a number of model course materials.

The work done with voluntary agencies has stimulated requests for similar service from other voluntary organizations.

Services in the States and communities will be expanded to—

Give greater attention to local community demands;

Expand and extend efforts to improve State and local committees on aging;

Encourage the establishment of senior day center programs and facilities;

Promote income-stretching programs;

Encourage the development of curriculum and counseling programs on retirement and preretirement and prepare program materials.

JUVENILE DELINQUENCY

PREFACE

The Nation's juvenile delinquency problem continues to be serious. Latest court and police statistics highlight the problem. While juvenile delinquency court cases in the country as a whole decreased slightly in 1961, those in the urban courts, which handled more than two-thirds of all court delinquency cases continued to increase in 1961 for the 13th consecutive year. Police arrests of juveniles have risen each year for the past 13 years. Their increase has been greater than the increase in the juvenile population over the same period. In 1961, according to the FBI data, about 1 million persons under 18 were arrested by the police for an alltime high. The urgency of meeting this challenge was evidenced when Congress enacted Public Law 87-274, the Juvenile Delinquency and Youth Offenses Control Act of 1961.

The administration of this act is the responsibility of the Office of Juvenile Delinquency and Youth Development (formerly the Office of the Special Assistant

to the Secretary for Juvenile Delinquency) of the recently created Welfare Administration. Both the act and this Office have added a new dimension to the efforts of the Department of Health, Education, and Welfare to prevent and control juvenile delinquency. The activities of our various agencies in this field are numerous. But for the first time we have established a coordinating mechanism within the Department. The Office of Juvenile Delinquency and Youth Development is utilizing all pertinent agencies in the Department in administering Public Law 87-274, and is also responsible for coordinating the efforts of these agencies to achieve the greatest possible impact on the variety of social, economic, and psychological problems represented by the growing numbers of juvenile delinquents.

It has become very evident that we cannot successfully attack these problems by focusing narrowly on the adjudicated juvenile delinquent. To achieve our goals of preventing delinquency we must carefully scrutinize the whole gamut of problems facing our youth today. With this in mind we are enlisting the efforts and talents of all our agencies that deal with problems of youth and their families. We have added staff to some of these agencies to enhance their efforts in the solution of these problems. These agencies are giving new emphasis to the problems of youth development, and two of them, the Office of Education and Children's Bureau, have formed new units to give special attention to these problems. In addition we are working closely with the Departments of Labor and Justice through the mechanism of the President's Committee on Juvenile Delinquency and Youth Crime. We have also made funds available to add positions to these departments to give added impetus to their efforts in this area.

Within the Department of Health, Education, and Welfare considerable effort and money is being invested in these problems. The Children's Bureau is spending an estimated \$347,134 in 1963 for the activities of the Division of Juvenile Delinquency Services. This Division has produced a number of documents which have set standards for juvenile and family courts, for training schools and other correctional institutions, for police work with juveniles, for work with gangs, the legal aspects of delinquency, and the training of personnel who work with delinquent youth. In addition, this Division has provided technical assistance to public and voluntary agencies across the Nation. Also, this Division is being increasingly called upon to conduct surveys of State and local services for delinquent youth. One statewide survey has been completed and another is in process. The enlargement of the Research Division has enabled them to give more attention to juvenile delinquency studies. This Division has developed a model juvenile court statistical card which will increase the amount of court data and make such data comparable from one court system to another, thus producing more valid State and national statistics. The Social Service and Health Divisions, through grant programs and consultative service, have continued to help States improve and enlarge child health and welfare programs so important in the prevention of juvenile delinquency.

The National Institute of Mental Health is spending an estimated \$7,140,000 in 1963 in the general area of juvenile delinquency. Of this amount about \$6.8 million will be devoted to demonstration projects, professional training programs and to support basic and applied research.

In fiscal year 1963, the Office of Education through its Juvenile Delinquency Unit gave educational services to cities studying juvenile delinquency and consultation to approximately a dozen communities geographically dispersed throughout the United States. This assistance was provided on behalf of the President's Committee on Juvenile Delinquency and Youth Crime in relation to grants that were requested for juvenile delinquency demonstration planning projects. The unit also assisted in evaluating approximately 60 requests for training grants and appraised them for their educational value and educational training possibilities. This unit also carried on intra-agency and interagency liaison contacts in the fields of delinquency prevention, culturally deprived children, and certain related special educational problems. Under the Office of Education cooperative research program, it is estimated that \$170,000 will be expended during this fiscal year for research pertaining to juvenile delinquency, school dropout problems, reading deficiency, and other studies closely related to the solution or prevention of juvenile delinquency.

The Office of the Commissioner of the Welfare Administration is supporting research and demonstration projects concerned with problems whose solution would have bearing on the whole problem of juvenile delinquency. Such areas

as financial dependency of children and their families deal with groups of children particularly vulnerable to delinquency.

In the same sense the Vocational Rehabilitation Administration assists the States in developing programs for the vocational rehabilitation of the physically and mentally handicapped. These programs reduce dependency and idleness and help to maintain family units, thus playing an important role in preventing juvenile delinquency.

Finally, the Office of Juvenile Delinquency and Youth Development conducts a major two-part effort in the prevention and control of juvenile delinquency. First, it is administering grant programs for demonstration projects and training programs and also providing technical assistance and information. Secondly, it is coordinating all of the above-mentioned efforts of other agencies so that maximum effect can be achieved.

The following reports from the operating agencies of the Department illustrate our activities in the field of juvenile delinquency.

OBLIGATIONS

Obligations for programs on juvenile delinquency

Agency	1960	1961	1962	1963 estimate	1964 estimate
Office of Education.....	\$79,716	\$35,906	\$36,722	\$170,000	\$766,518
Vocational Rehabilitation Administration.....	52,960	117,639	134,295	169,720	141,000
Public Health Service: National Institute of Mental Health.....	1,511,000	2,781,000	5,170,000	7,140,000	8,040,000
Welfare Administration: Children's Bureau.....	208,588	224,665	279,438	347,134	371,055
Juvenile Delinquency and Youth Offenses.....			6,365,567	5,510,000	13,200,000
Total.....	1,852,264	3,159,210	11,986,022	13,636,854	22,518,573

OFFICE OF EDUCATION

Activities of the Office of Education in the area of juvenile delinquency focus primarily on the preventive aspects of the problem. These activities are in the areas of school social work, guidance and counseling, and exceptional children and youth. The Office has also contracted with universities and State education agencies for the conduct of cooperative research projects dealing with antecedent problems of juvenile delinquency and the educational contribution to the prevention of juvenile delinquency. In addition, through the provisions of Public Law 87-274, the Office is providing consultative services to State and local agencies for the development, implementation, and evaluation of projects for the prevention and control of juvenile delinquency.

School social work, through its services to pupils and their families, contributes effectively to this area. During fiscal year 1963 basic information was collected on school social work programs throughout the Nation. A bulletin, "New Perspectives in School Social Work," now being edited, has been developed by the Office to assist personnel in this field. Specifically, the bulletin deals with transition social work services, current social work problems in education, present practices in school social work, support for school social work, visiting teacher programs, relationship of education and social work, and the future of school social work. National dissemination of this information will take place in fiscal 1964.

One of the antecedent problems which contributes to the growth of juvenile delinquency is the flow of culturally different pupils from depressed rural areas into the large cities. These educationally disadvantaged youth constitute the majority of our dropout and delinquency-prone youth. Late in fiscal 1962, the Instructional Programs Branch of the Office held two conferences devoted to the educational problems of the culturally different. The first conference consisted of reports of 10 promising school programs; the second addressed itself to the key problem of teaching language arts to the educationally disadvantaged. Reports of both conferences will soon be published in bulletin form. During fiscal years 1963 and 1964 the Office will use these bulletins as means for disseminating information to State and local school systems, to aid them in devising improved programs and practices for the culturally different.

The Guidance and Counseling Programs Branch of the Office in fiscal 1963 completed a study to identify and describe specific programs, services, and practices which have been found to be effective in preventing delinquency and alleviating conditions which contribute to delinquency in selected geographical areas of the United States.

Statistical information about special school programs for children who are emotionally disturbed and those who are socially maladjusted, and some of the educational resources made available to serve these children are included in several broad studies being conducted by the Education for Exceptional Children Branch of the Office. The following are examples of some of the recent and on-going studies of this type. Information about the numbers of children being served in special residential and local school programs and their teachers is being collected for the 1961-62 school year. Preliminary data is being compiled on the number of colleges and universities offering special teacher preparation during the same school year. Information about State financial provisions to assist local schools conducting special education programs for these and other exceptional children is in the process of being verified, and preliminary data is available on State certification standards for special teachers and provisions in State education laws affecting these children.

Two broad areas have been selected for special emphasis in fiscal year 1964—education problems of urban schools and disadvantaged children—will complement and strengthen undertakings in the field of juvenile delinquency. For example, a proposed study of existing special programs for disadvantaged children may have important implications for the field of juvenile delinquency. Similarly, many aspects of urban educational problems are closely related to delinquency problems.

COOPERATIVE RESEARCH ACTIVITIES

The cooperative research program has continued its support of extramural research projects designed to increase knowledge about the problems involved in juvenile delinquency, and the role which the school can play in alleviating the problem. To date a total of 20 contracts have been written for projects in this area. Four of these projects were initiated during the past year. Brief descriptions of the objectives of these new projects are as follows:

Dr. Lambert of the California State Department of Education is studying the value of the social case history, psychodiagnostic testing and psychiatric appraisal in the prediction of school adjustment. Conceptual models used by clinicians in making qualitative judgments which are predictive of school adjustment will be analyzed, defined operationally, and prepared in the form of procedures. These procedures will be used by the school social workers, psychologist, and child psychiatrist in diagnosing school learning and adjustment problems of children referred.

Another study is concerned with the academic aspirations and school adjustment of eighth grade boys and girls. This study is being conducted by Dr. Paul Wallin of Stanford University. The major objective of the study is to determine the differences in adjustments which are related to the social class composition of the schools, and to the children's own social class backgrounds.

A study designed to be of value in the area of juvenile delinquency is concerned with what factors appear to result in effective educational motivation. The director, Dr. Litwak of the University of Michigan, is focusing his effort on the problem of those conditions which seem to interact between the school, family, and neighborhood, and which appear to account for the variation in a student's educational motivation and school behavior.

Dr. John Moge of Vanderbilt University is undertaking a project aimed at evaluating the effect of urban renewal projects (forced movement from homes) on children. In general, he plans to analyze the effects of mobility on the "family pattern," and, in turn, determine how these patterns affect educational aspirations and attainment of children.

Further information about delinquency will be forthcoming in the near future from projects that are still underway. For example, one investigator, dealing with various characteristics of behavior displayed by delinquents, will examine the responses of parents and teachers to delinquent behavior, in order to determine the extent to which these responses may cause further delinquent behavior. Another study seeks information about the effect of antagonizing behavior and rejection of one's peers on the mental health of an individual.

There are two studies in process which are designed to evaluate existing school programs for the prevention of delinquency. One is the Higher Horizons Program for Underprivileged Children, and the other is the All-Day Neighborhood Schools. Both programs are providing experiences beyond those found in the normal school curriculum.

Completed cooperative research reports are made widely available through the Documents Expediting Service of the Library of Congress and through the Photoduplication Service of the Library of Congress. In addition, monographs reporting findings of particular interest are published by the Office of Education.

Special attention should be drawn to a new publication within the Cooperative Research Monograph Series. This monograph, entitled "Role of the School in Prevention of Juvenile Delinquency": a research symposium sponsored by the Office of Education and Phi Delta Kappa, will shortly be available for distribution.

In fiscal year 1964, a new area of emphasis, learning disorders will be added to other areas of special concern under the cooperative research program. Greater emphasis will be placed on research in the learning process with special attention focused on the problem of dropouts and juvenile delinquents. Research development activity will be encouraged in order to examine patterns of research that have emerged, to summarize important findings, and to encourage further research where it is needed. Demonstrations are proposed of procedures, processes, and promising practices that are emerging. A research program is planned which will provide a long-term commitment of a research staff and an institution to basic research and to the translation of such research into programs that can be tried out and evaluated.

VOCATIONAL REHABILITATION ADMINISTRATION

While the State-Federal program of vocational rehabilitation is not committed to work with the juvenile delinquent, per se, since the program is designed for the vocational rehabilitation of the physically and mentally handicapped, it is recognized that this goal has important bearing on the ultimate behavior of children in families. It is a well-known fact that family life is seriously disrupted when the wage earner becomes incapacitated with the result that income is greatly diminished and standards of living are significantly lowered. In like manner, the inability of the housewife and mother to fulfill her normal obligations seriously jeopardizes the normal development of the child. Thus by reducing dependency and idleness with their inherent dangers and restoring or maintaining the unity of family life, vocational rehabilitation plays a large part in reducing the potential for delinquency.

More directly offering vocational rehabilitation services to adolescents or those approaching the working age is a powerful agent in the prevention of delinquency.

The emotionally disturbed child is one who frequently acts out his anger and frustrations and thereby encounters difficulty with the law. Too often he has been labeled "delinquent" without the necessary exploration into the causes of his behavior, and, too often, the need for treatment has been ignored.

Since 1956 the Vocational Rehabilitation Administration has supported, in part, 71 research and demonstration projects concerned with the rehabilitation of persons with mental and personality disorders. Many of these have included those under 20 years of age. Three projects are specifically directed toward the adolescent.

A project at Children's Village, Dobbs Ferry, N.Y., is designed to demonstrate, in a day-care setting, the feasibility of effective comprehensive rehabilitation service in meeting vocational and social needs of emotionally disturbed delinquent adolescents. In the year July 1, 1961, to June 30, 1962, 22 persons received these services.

At the Butler Health Center in Providence, R.I., a project is in progress to evaluate, in a day-care setting, the effectiveness of psychiatric treatment and vocational services for emotionally disturbed adolescents whose condition would otherwise hinder their successful employment or further education; 128 received these services in the year July 1, 1961, to June 30, 1962.

The project at the Berman School in Freeport, N.Y., is designed to investigate the contribution of a therapeutically oriented work-study program to the vocational rehabilitation of emotionally disturbed adolescents; 41 individuals were selected for service in the year July 1, 1961, to June 30, 1962.

In July 1962, a grant was made to the Oklahoma Division of Vocational Rehabilitation for a project to demonstrate and evaluate the effectiveness of rehabilitation services provided to a prison population in the State reformatory. The experimental group will be drawn from an inmate population of young men characterized by mental retardation, emotional disorders, physical disablement, or some combination of these handicaps.

Grant awards for research and demonstration projects in juvenile delinquency

Project No.	Grantee	1960	1961	1962	1963 ¹	1964 ¹
550	Butler Health Center, Providence, R.I.	\$52,960	\$52,960	\$52,557	\$53,000	\$55,000
623	Berman School, Inc., Freeport, N.Y.	-----	25,800	30,410	² 31,990	-----
685	The Children's Village, Dobbs Ferry, N.Y.	-----	38,879	51,328	41,000	42,000
949	Oklahoma DVR, Oklahoma City, Okla.	-----	-----	-----	² 43,730	44,000

¹ Estimated amounts.

² Actual award.

The mentally retarded individual tends to harbor an inferior image of himself. Inadequate education and social ostracism have forced him into a world of loneliness and isolation. Seeking human companionship, acceptance, and recognition, he becomes easy prey for those who seek to make use of him in antisocial activities.

Of the 34 research and 36 selected demonstration projects currently in operation in the field of mental retardation under the Vocational Rehabilitation Administration research and demonstration program, a majority provide services primarily to the mentally retarded youth. Learning good work habits, acquiring job skills, and acceptable social conduct prepares him to become a useful and self-respecting member of society, and the danger of his succumbing to undesirable influences is considerably lessened.

By no means are all services provided the emotionally disturbed or mentally retarded youth confined to the programs under the special project grant authority. Much has been accomplished through the general program of the State agencies. Many State agencies have served the mentally retarded youth, in particular, either through extension and improvement projects or under the basic program by developing rehabilitation facilities, assigning special counselors to work with the school systems, State training schools, etc.

We believe that the vocational rehabilitation program is an effective means of combating juvenile delinquency and that it could extend further into this area. A survey of the training schools in the States would reveal large numbers of physically and mentally handicapped youths for whom vocational rehabilitation services would spell the difference between recidivism and permanent rehabilitation.

NATIONAL INSTITUTES OF HEALTH

SPECIAL REPORT—JUVENILE DELINQUENCY

EXTENT OF THE PROBLEM

In the past year juvenile delinquency continued to appear as a problem of serious concern for the people of the United States. A recent report by the President's Committee on Juvenile Delinquency and Youth Crime presents the following facts, which represent the latest data on the nature and rate of growth of the delinquency problem:

Juvenile delinquency as measured by police arrests and juvenile court referral increased in 1961 for the 13th consecutive year.

In 1961, arrests of young people under 18 rose 4 percent over 1960.

From 1950 to 1960 the delinquency increase was twice as great as the 10-17 population increase.

In 1960 an estimated 514,000 nontraffic delinquency cases were handled by juvenile courts, involving about 440,000 persons aged 10-17.

If current delinquency rates remain constant, between 3 and 4 million persons under 18 will be sent to juvenile courts on nontraffic delinquency charges during the 1960's.

FBI data reveal that the age group 15-19 contributes a disproportionate amount of arrests for their representation in the population. This group accounts for 15 percent of all police arrests for serious crimes, although representing only 7 percent of the total population.

Such facts appear to justify continuing concern with the delinquency problem on the part of the National Institute of Mental Health.

THE NIMH PROGRAM

For several years the National Institute of Mental Health has been engaged in an expanding program in the delinquency field with special emphasis in the following areas: (1) demonstration projects, (2) training projects, (3) broad support of research, (4) the development of evaluative research methods, (5) an information center, (6) National, State, and local surveys of delinquents, (7) theory development, (8) collaboration with private effort, and (9) collaboration with other Federal agencies.

In each of these fields substantial progress has been made.

1. *Demonstration projects.*—Support of demonstration projects was increased in 1962 so that by the end of the year such projects were being supported at the rate of approximately \$4.5 million per year. A notable new development in the demonstration field involved participation by NIMH, along with the Department's Office of Juvenile Delinquency and Youth Development and the President's Committee on Juvenile Delinquency and Youth Crime, the Ford Foundation, and the city of New York, in the support of mobilization for youth, a large-scale multiple-service attack on the delinquency problem in a high delinquency area of New York City. In 1962 NIMH support to this project exceeded \$1.5 million. The volume of approved applications for support of delinquency demonstration projects has reached the point where there is a backlog of nearly \$100,000 in approved projects which cannot be supported because of shortage of funds.

2. *Training projects.*—Mindful of the continuing shortage of trained personnel in the delinquency field, NIMH expanded its support of such projects in 1962. Among notable new projects was one designed by the National Council of Juvenile Court Judges and the National Training Laboratories for a series of training institutes for juvenile court judges. Another major project combines training and demonstration. In this project, jointly conducted by the Judge Baker Guidance Center and the city of Newton, Mass., a variety of mental health, education, and correctional personnel will be trained for work with delinquents. In 1962 the Training Branch of NIMH supported 18 delinquency training projects in professional schools at a total cost of almost \$500,000.

3. *Broad support of research.*—Support of research projects in the delinquency field was conducted in 1962 at approximately the same rate as in 1961, with approximately \$1 million being committed to this type of support.

4. *Development of evaluative research methods.*—In 1962, emphasis was given to the development of such methods in several of the projects supported by NIMH.

5. *Information center.*—Additional support for the National Research and Information Center of the National Council on Crime and Delinquency was given by NIMH in 1962. This permitted collaboration with the Department's Office of Juvenile Delinquency and Youth Development and the President's Committee on Juvenile Delinquency and Youth Crime in collecting essential statistical data from the States and preparing the data for dissemination to interested agencies.

6. *National, State, and local surveys of delinquents.*—Studies of this nature have continued in three communities, preparatory to the designing of one or more national surveys.

7. *Theory development.*—During 1962 NIMH supported several conferences concerned with theory development and research strategy in the delinquency field. In addition, a survey of delinquency projects supported by NIMH was inaugurated in order to discover leads for further research and for innovations in preventive and treatment measures.

8. *Collaboration with private agencies.*—As indicated above, NIMH collaborated with other groups in the support of the mobilization for youth project in New York City. Staff liaison is also maintained with the American Public Welfare Association and the Council on Social Work Education.

9. *Collaboration with other Federal agencies.*—NIMH staff has worked with staff of the Office of Juvenile Delinquency and Youth Development and the President's Committee on Juvenile Delinquency and Youth Crime in planning

for appropriate review by NIMH of applications from other cities which have been given planning grants under the Juvenile Delinquency and Youth Offenses Act of 1961. President's Committee personnel have attended some of the research conferences supported by NIMH, and a close, effective working relationship has been maintained.

The ad hoc delinquency committee of NIMH has representation on the President's Committee. The ad hoc committee has, during 1962, given extensive consideration to ways in which the NIMH program can fill a specialized role in implementing the intensive attack on the delinquency problem which is led by the President's Committee. Particular emphasis has been given to the research potential of NIMH. The ad hoc committee has also reviewed projects of special program development interest to NIMH and the President's Committee.

10. *Other activities.*—Certain other activities have received greater emphasis during 1962. Several technical assistance projects were organized in various parts of the country to supply short-term training and exchange of information and ideas for persons concerned with delinquency. In addition, there has been extensive coordination with State and local agencies through the NIMH central staff and representatives in the regional offices.

CHILDREN'S BUREAU

Obligations

Salaries and expenses:

1960-----	\$208, 588
1961-----	224, 665
1962-----	279, 438
Estimate, 1963-----	347, 134
Estimate, 1964-----	371, 055

Prior to 1955

Soon after its creation in 1912, the Children's Bureau began studies in the field of juvenile delinquency. Within the limits of its small staff and funds, the Bureau carried on activities in this field continuously. In January 1952 the Bureau began an intensive review of the problems of juvenile delinquency and of provisions and procedures that had been developed to meet these problems, including its own program. In July 1952 the Bureau established a Juvenile Delinquency Branch in its Division of Social Services. This new Branch was set up to work closely with a special juvenile delinquency project sponsored by the Bureau and financed by various foundations.

Early in 1954, the Children's Bureau released its publication *Standards for Specialized Courts Dealing With Children*. This was developed by the Children's Bureau in cooperation with the National Council of Juvenile Court Judges and the National Council on Crime and Delinquency. This publication has had a major positive impact on the field. It has been cited in numerous articles appearing in law reviews and social work journals. It has received judicial recognition in the decisions of both State and Federal courts, and its use led to several decisions prohibiting the transfer of juveniles from juvenile institutions to adult penal institutions. Its principles are already appearing in State legislation. It is being translated and used in foreign countries. It was also heavily relied upon in the development of the recent Standard Family Court Act and the revision of the Standard Juvenile Court Act. These acts were the result of a joint project of the National Council on Crime and Delinquency, the Children's Bureau, and the National Council of Juvenile Court Judges. Four States have already passed legislation drawing heavily from these acts. Several States are presently working on legislation, and all have relied on Children's Bureau consultation.

In August 1954 Congress made a supplemental appropriation of \$75,000 to the Bureau to enable it to expand its services in juvenile delinquency. In October the Secretary of the Department took the first step in this direction by authorizing the creation of a Division of Juvenile Delinquency Service in the Children's Bureau.

The Division of Juvenile Delinquency Service was set up to provide technical assistance to public and voluntary agencies and to develop standards, guides, and methods relating to various types of service and care for delinquent children. The fields covered include police work with juveniles; courts and probation services; institutional care for delinquent children, including training

schools, forestry camps, and detention care; legal aspects of delinquency, including legislation, community coordination and planning for the prevention, control, and treatment of delinquency; group work with delinquent children and potentially delinquent gangs; and training programs for personnel, professional and nonprofessional, working with delinquent youth.

In addition, the Division of Research was slightly enlarged in order to permit it to give more attention to studies relating to juvenile delinquency.

The Delinquency Branch of the Social Services Division was transferred to the new Division. The Division of Social Services, through its grant-in-aid program to States for child welfare services and its consultation service, continued its efforts to safeguard children and young people who seemed especially likely to commit delinquent acts.

Regional child welfare staff continued to consult with citizen groups, public welfare administrators, legislators and legislative commissions on community needs, resources, and legislative action to safeguard children, including juvenile delinquency.

Among the early appointments to the staff of the Division of Juvenile Delinquency Service was a consultant on police services. Since police services in relation to juveniles had received little attention, no program guides or standards of services had been developed—this in spite of the fact that police functions are intimately related to those of other agencies; courts, schools, and welfare agencies—and the police department in the community often has contacts with more children than the court and welfare agencies.

In 1954, the Children's Bureau in cooperation with the International Association of Chiefs of Police issued a report, "Police Services for Juveniles" (C.B. Pub. 344), that brought together current opinion and information about police services for juveniles, particularly for those children and young people who came to the attention of the law because of delinquent behavior.

1955-63

In May 1955, the Children's Bureau called a conference about the role of health services in the juvenile delinquency field. A number of State health department employees, pediatricians, obstetricians, psychiatrists, nurses, social workers, educators, and research specialists working on the problem of child development and its relations to delinquency took part in it. The conference report was published under the title "Health Service and Juvenile Delinquency" (C.B. Pub. 353).

On the assumption that more was known than was being used and that psychologists and sociologists were not as much at odds as might appear, the Bureau in May 1955 called a conference to consider a change in the orientation of research on juvenile delinquency. Prof. Robert Merton and Dr. Erik Erikson were asked to comment on their theories as they bore on juvenile delinquency, and a number of theorists and practitioners discussed these and other viewpoints. A report of this conference, entitled "New Perspectives for Research on Juvenile Delinquency" (C.B. Pub. 326), was issued in 1956.

In 1954, the Children's Bureau became increasingly concerned over the fact that so many accusing fingers were being pointed at parents as being responsible for juvenile delinquency. Delinquency was again on the increase. Serious juvenile offenses appeared to be becoming more frequent. But was an attack on parents wise? Would it help—or would it make things worse by adding to parental jitters? And was it fair? Were parents to blame? If so, what parents, to what extent, and in what ways? And if some children's delinquency was traceable to parental factors, by what means could parents be helped to carry out their responsibilities better?

So, the Bureau called a conference of a group of people—psychiatrists, settlement house workers, social workers, psychologists, sociologists—whose professional work brought them intimate knowledge of delinquents and their parents. These people met with representatives of the Children's Bureau for 2 days of discussion. The report, "Parents and Delinquency" (C.B. Pub. 349) published in 1955, is an account of what they said. They agreed "that blame and blind punishment of parents should be rejected and the necessity accepted of finding ways of helping parents to be effective parents."

A report on the findings of published research on the effectiveness of delinquency prevention programs "The Effectiveness of Delinquency Prevention Programs," (C.B. Pub. 350), was issued in 1955. The report showed that well carried-out evaluative studies of delinquency prevention are few in number.

To obtain more precise information on the total volume of juvenile delinquency, the Bureau in 1955 initiated a plan for collecting data from a representative national sample of 502 juvenile courts. Beginning in 1956, it was possible, therefore, for the Bureau to say with increased confidence that the number of juvenile court cases reported to it were representative of the country as a whole.

In 1955 also, the Chief of the Bureau appointed an ad hoc advisory committee to develop proposals for how to train individuals for work in the juvenile delinquency field. A thorough discussion of issues followed, and a tentative long-range policy about training was worked out.

As a step in this direction, a major educational project was undertaken in the summer of 1955. This took the form of a 6-week summer session for 24 teachers and practitioners of social work who were interested in education for the field of juvenile delinquency and adult corrections. This project was cosponsored by the University of California School of Social Welfare at Berkeley, the Council of Social Work Education, the National Probation & Parole Association, and the Children's Bureau.

Because of the nature of institutional programs, consultation by the staff in the Division of Juvenile Delinquency Service has often taken the form of surveys. Some were part of a statewide survey of services for delinquent children participated in or directed by other national agencies.

In addition to consultation, the Division of Juvenile Delinquency Service, like the other service divisions of the Bureau, spends considerable staff time on the development of program standards.

Along this line, a draft of a publication on standards for training schools was submitted to about 200 experts throughout the country as well as to a conference of specialists held in Washington in June of 1956. After further study and review in the light of recommendations received, the publication was issued in 1957 as "Institutions Serving Delinquent Children—Guides and Goals" (C.B. Pub. 360).

Another area needing guide material was found to be that of group work services to delinquents. More than 15 years of experience had gone into providing this type of service in a few communities in the United States. But communication between these cities and those where such programs were only now being started was infrequent and unsatisfactory at best.

After observing a number of projects in operation and meeting with over 50 people, called together during a national conference on social welfare, the Children's Bureau decided to convene a national conference to consider problems in this area. Cooperation from the National Social Welfare Assembly, the National Association of Social Workers, and United Community Funds and Councils of America was secured in this endeavor.

The conference held in May 1957, was attended by more than 200 workers from cities in 22 States. It was a timely and productive meeting from which a beginning in setting principles and guides took place. The conference report "Youth Groups in Conflict" (C.B. Pub. 365), was immediately in great demand, considering the more or less limited focus of its content.

For several years preceding 1957, interest in the use of forestry camps as facilities for the care and treatment of delinquent children had been increasing. Standards have not been developed with respect to selection of youth, staffing, programing, or administration. Some programs and proposals show too much emphasis on work production and not enough on rehabilitation.

For these reasons, in 1957, the Bureau took steps to develop guide material on camp programs. During 1958, material was collected and analyzed. A number of camps were visited and their programs observed. A report on camps of this sort was published early in 1960.

A number of States in recent years have been concerned about the administration and structure of public child welfare and youth services. Along with this has come the question of how best to provide for the organization and administration of services to delinquents. The Bureau published "Principles and Suggested Language for Legislation on Public Child Welfare and Youth Services." This publication sets forth principles and also includes suggested legislative language which provides several organizational patterns for State structure of services for children and youth.

During the years since 1955, the Bureau has had to devote most of the time of its specialized staff in its Division of Juvenile Delinquency Service to meeting requests from States and cities for consultation on technical problems of juvenile delinquency control and treatment. Despite this heavy concentration, only part

of the requests for consultation coming to this Division could be met—in some program areas, considerably less than half.

Consultation is provided by workers going into the field, by correspondence, and through office interviews. Each year, a wide variety of agencies and individuals have been served, including Governors, mayors, judges, chiefs of police, State and local agencies, both public and private, including probation departments, training schools, police departments, universities, other national agencies, and a variety of citizens' groups concerned with the problem of juvenile delinquency. All the States, Puerto Rico, the District of Columbia, and the Virgin Islands have received this form of service from the Division.

The small size of the specialized staff in delinquency treatment and control and lack of regional representatives specializing in these aspects of delinquency further aggravate this problem. This Division of Juvenile Delinquency Service, however, has partially met the difficulty by working, whenever possible, with and through other national agencies or groups representative of delinquency control and treatment services, both State and local, and by stimulating the establishment of State consultant positions.

Analysis of child welfare services plan for fiscal 1959 showed that about half of the State departments of welfare were using Federal funds for activities and projects relating to juvenile delinquency.

Following its first experiment in training for work with juvenile delinquents, the Bureau held successive workshops in 1957 and 1958 related to training personnel in institutions. These were followed by publications in 1958-59. These workshops, financed through foundation funds, were carried out in cooperation with Rutgers University School of Social Work, National Council on Social Work Education, National Association of Training Schools and Juvenile Agencies, National Conference of Superintendents of Training Schools and Reformatories, and the National Conference of Superintendents of Correctional Institutions for Girls and Women.

At the direction of Congress, the Children's Bureau, jointly with the National Institute of Mental Health, submitted a report in 1960 on juvenile delinquency showing trends, related factors, means of treatment, control and prevention, research evaluation and training needs. Out of the Bureau's investigations in relation to this report emerged 18 widely used technical publications, *Juvenile Delinquency: Facts and Facets*.

A national workshop on the problems of training for probation services in juvenile courts was held in June 1960. This project was carried out in cooperation with the National Council on Crime and Delinquency, the Council on Social Work Education, and Wayne State University School of Social Work. The publication coming out of this workshop "Training for Juvenile Probation Officer" has had wide distribution.

The President's Committee on Juvenile Delinquency and Youth Crime, established by Executive order in May 1961 and the Juvenile Delinquency and Youth Offenses Control Act, passed in September 1961, place heavy emphasis on the improvement in the collection and dissemination of information on juvenile delinquency. This has increased the activities of the Children's Bureau in the area of research and statistics.

In cooperation with the FBI the Children's Bureau has initiated a "Monthly Report on Delinquency Cases Disposed of by Juvenile Courts." The monthly report, to be used experimentally in the 30 largest U.S. cities, is designed to help overcome some of the limitations or deficiencies of the present juvenile court statistical reporting. It includes information on offenses committed, utilizing a classification very closely allied to that used in FBI uniform crime reports, as well as information on the court's disposition of the case. Neither disposition nor offense data are currently included in the national juvenile court reporting.

To assist courts in maintaining basic statistical data, the Children's Bureau in cooperation with the National Council of Juvenile Court Judges developed a "model" juvenile court statistical card. This card standardizes definitions and items of information to be maintained by the courts. It provides the mechanism and procedures for obtaining information desired by State agencies and the Federal Government as well as that needed for administrative purposes by the courts themselves.

Renewed emphasis is being placed on finding out more about delinquency programs, State and local structure, organization and responsibilities, etc., and also about the impact on relationship to delinquency of such factors as unemployment

of youth, school dropout, economic and social conditions in communities. Information of this sort will provide community profiles showing the many factors to be considered in developing delinquency preventive and treatment programs.

Related to this emphasis, the Bureau staff have reviewed and cataloged for the use of the President's Committee all known new or unusual approaches to the treatment or prevention of delinquency. The Bureau also has made available to the Office of Juvenile Delinquency all basic materials in its files that might be helpful in implementing the training and demonstration grant programs under the Juvenile Delinquency and Youth Offenses Control Act of 1961. The President's Committee has encouraged the appointment by Governors of a liaison individual or agency in each State to assist in the exchange of information. The Children's Bureau is working closely with these individuals and with other national organizations in the collection of information relevant to delinquency prevention and control.

Work has been completed on a basic publication entitled "Police Work With Children." This publication was developed in cooperation with the National Council on Crime and Delinquency, the International Juvenile Officers' Association, the International Association of Chiefs of Police, the International Association of Women Police, National Sheriff's Association, and National Police Officer's Association of America. It covers such areas as police organization with respect to services for juveniles, procedures, record systems, and law as it relates to police activities in handling children and minors. It is being used to develop program guides and standards in these areas and in building curriculum in the field of police training.

Another project near completion is a workshop for State consultants in the area of juvenile delinquency. Almost one-third of the States now have such consultants and a number are planning to add such persons to State agency staff. This is designed not only to help these consultants in the area of program content, but also to stimulate closer working relationships and greater exchange of information between the State consultants and the consultants in the Children's Bureau. All of the States having such consultants have shown great interest in participating in the workshop.

Since the passage of the juvenile delinquency legislation demands for consultation have been increasing. The President's Committee on Juvenile Delinquency has drawn heavily on the Division's staff to meet consultation requests from a variety of cities developing comprehensive juvenile delinquency programs. Two major State surveys covering various aspects of a program for delinquency have been completed and similar requests from other States have been accepted to be completed this fiscal year.

OFFICE OF JUVENILE DELINQUENCY AND YOUTH DEVELOPMENT

A major step to develop an effective Federal program in the prevention and control of juvenile delinquency was taken with the passage in September 1961 of Public Law 87-274 (the Juvenile Delinquency and Youth Offenses Control Act of 1961). This act, signed by the President on September 22, 1961, permits the Federal Government to (1) undertake demonstration projects in the field of youth services, (2) train personnel to work with young people in trouble, and (3) evaluate and disseminate the most effective ways of using resources to combat juvenile delinquency in local communities. It represents the results of the combined efforts of Congress, and interested individuals and private and public groups in the Nation, to provide an appropriate basis for Federal partnership with the States and local communities to demonstrate and develop programs which will help to solve the Nation's delinquency problems.

Responsibility for carrying out the provisions of the act is vested in the Secretary of Health, Education, and Welfare. In implementing the act, the Secretary is required to consult with the President's Committee on Juvenile Delinquency and Youth Crime. This committee was created by Executive order on May 11, 1961, to provide a vehicle for coordinating resources and encouraging cooperation among the various levels of government and private organizations.

The Committee is composed of the Attorney General as Chairman, and the Secretary of Labor and the Secretary of Health, Education, and Welfare as the two other members. It will stimulate experimentation and innovation in Federal youth programs, and will recommend ways in which the prevention, treatment, and control of juvenile delinquency and youth crime can be made more effective. To assist in this task, the Committee has the services of a Citizen's

Advisory Council, composed of 21 knowledgeable members representing both public and voluntary organizations.

PROVISIONS OF PUBLIC LAW 87-274

Public Law 87-274 authorizes \$10 million a year for each of 3 fiscal years, ending June 30, 1964. For the current fiscal year ending June 30, 1963, \$5,-\$10,000 has been made available for obligation.

The sum of \$3 million is being granted for the support of demonstration projects in local communities engaged in developing or implementing plans for comprehensive services to youth. The Secretary is authorized to make such grants to public and other nonprofit organizations which are capable of planning or operating a comprehensive program for the redevelopment of youth services in the local community. In addition, the sum of \$2 million is being granted for the training of personnel in delinquency prevention and control work. The remainder of the funds for the current fiscal year, \$810,000, is being expended to provide necessary technical assistance services to community demonstration projects and training programs, to collect, evaluate, and disseminate information on delinquency prevention and control, and to cover administrative costs.

OFFICE OF JUVENILE DELINQUENCY AND YOUTH DEVELOPMENT

In order to carry out effectively the provisions of Public Law 87-274 an Office of Juvenile Delinquency and Youth Development has been established. The main function of this office is to receive and process applications for the demonstration and training grant programs, and to service the technical review panels which will provide professional recommendations on the applications received. There are 3 such panels: 1 of 10 members for demonstration projects; another of 10 members for training programs; and the third of 5 members for information studies and technical assistance activities. The Office of Juvenile Delinquency and Youth Development also has the responsibility for coordinating activities concerned with delinquency programs among the member agencies of the Department of Health, Education, and Welfare. In addition, it maintains day-to-day working relationships with the staff of the President's Committee to insure an interdepartmental outlook in developing the total Federal delinquency program.

Although the administration of the granting process and policy implementation is lodged in the Office of Juvenile Delinquency and Youth Development, appropriate departments and agencies have been delegated responsibility for providing specialized services and technical assistance to local communities. Administration of the new Federal delinquency program, therefore, places increased demands on the personnel of the Children's Bureau and the Office of Education, within the Department of Health, Education, and Welfare, and on the personnel of the Departments of Labor and Justice. Consequently, funds have been made available under the Juvenile Delinquency and Youth Offenses Control Act to augment these respective staffs. The aforementioned operating agencies and departments will assist in handling requests from demonstration project communities, and will provide consultation to develop field services and training programs.

THE GRANT PROGRAMS

Application forms and instructions have been prepared and distributed widely to communities and training agencies wishing to develop a project in cooperation with the Federal program on delinquency. Many inquiries have been made by communities and training centers and agencies throughout the country and great interest has been shown in participating in the Federal program. Applications for demonstration projects and training programs are usually reviewed quarterly by the appropriate review panel.

To answer the numerous inquiries received about the Federal program, a document has been prepared and distributed explaining the program under the title "The Federal Delinquency Program: Objectives and Operation Under the President's Committee on Juvenile Delinquency and Youth Crime, and the Juvenile Delinquency and Youth Offenses Control Act of 1961 (Public Law 87-274)."

This document is distributed with all application forms. It provides a broad review of the objectives of the Federal program, the nature of delinquency and related youth problems that are addressed by the program, the administrative organization of the President's Committee and staff established under Public

Law 87-274, and detailed information on the application process for the demonstration and training grants.

The members of the technical review panels have been appointed and the demonstration and training panels have held meetings which have established the criteria that are employed in reviewing applications for grants.

Several of the member agencies of the Department of Health, Education, and Welfare have their own research and demonstration funds which can be used to explore delinquency problems within their own specialized area of professional concern. The National Institute of Mental Health, the Children's Bureau, the Office of Education, the Vocational Rehabilitation Administration, and the Office of the Commissioner of the Welfare Administration receive and process applications for specialized research projects on different related aspects of the total delinquency problem. An administrative arrangement has been set up to coordinate the granting activities of these agencies in the field of delinquency. The Office of Juvenile Delinquency and Youth Development serves as a clearinghouse for the delinquency project applications received and acted on by the member agencies of the Department.

The member agencies continue to process applications through their own technical review committees that deal with their particular aspect of the delinquency problem, such as mental health, child welfare, education, etc. However, the Office of Juvenile Delinquency and Youth Development will coordinate grants by the other agencies and grants under Public Law 87-274, in those cases where an applicant requests support beyond the jurisdictional limits of any one of the member agencies of the Department. This continuation of the specialized experimental research and demonstration work in the delinquency field by the operating agencies of the Department permits the funds under Public Law 87-274 to be used in a flexible manner to develop comprehensive demonstration and training projects which deal in an integrated way with all parts of the delinquency problem of a community.

THE DEMONSTRATION PROJECT PROGRAM

It has long been recognized that the problem of juvenile delinquency cannot be solved by the sole efforts of any single, specialized service working alone, such as mental health therapy, remedial education, vocational training, family casework, or police enforcement. Rather, it requires the coordination of a variety of specialized services in a comprehensive program. This type of attack has been made possible by section 3 of Public Law 87-274, which authorizes the Secretary of Health, Education, and Welfare to make grants to public and other nonprofit agencies and organizations for demonstration projects.

A primary target in the field of delinquency prevention is to show what a fully mobilized community can do to control its delinquency problem. The Federal Government will provide leadership, "seed money," and technical assistance in creating such model projects. Grants, however, depend on the degree of local commitment and investment in a total program.

Each community undertaking a major demonstration effort is required to create a comprehensive plan for youth development. This involves coordinating sufficient knowledge, resources, and trained personnel in the same community, so that maximum impact on delinquency can be achieved. Technical assistance is being furnished to these communities to develop their plans and bring about the necessary coordination.

A number of communities that have indicated an interest in participating in the Federal programs have now developed adequate plans to qualify for support of major action programs. Fourteen of these communities thus far have been awarded planning grants to assist them in assessing their resources for youth services, identifying gaps in these services, and planning a coordinated approach to fill these unmet needs. In addition, numerous cities throughout the country are now setting up central planning organizations of public and private agencies which can represent the various youth services essential to a comprehensive plan. It is expected that two more communities will receive planning grants from the appropriation for the current fiscal year.

To assist these communities in planning their action programs of youth services, the President's Committee and the member agencies of the three Departments continue to collaborate in the development of a national inventory and survey of youth service programs and program ideas that have proved promising. Information is being collected on promising programs in the areas of youth education, employment, correctional treatment, family welfare, and recreation services. This information is being distributed by the technical assistance staff in

the Federal departments and the President's Committee to the communities requesting help.

In New York City, the first demonstration action project to receive support under the Juvenile Delinquency and Youth Offenses Control Act of 1961, called Mobilization for Youth, got underway after a systematic and extensive period of planning. Of the more than 40 new programs and service enterprises conducted under its auspices, a few examples may be cited:

In the "world of work," there is a youth jobs center serving as a central employment agency, and a subsidized urban youth service corps offering job training to several hundred young people. In the 3 months since the work program opened, over 800 young people have applied for jobs.

In the "world of education," there is teacher training for work in slum areas, laboratory schools, reading clinics, parent education programs, a pre-school enrichment program, and a homework helper program in which outstanding high school students are paid to tutor failing elementary school students.

In recreation there are coffee houses as social centers for youth, and the adventure corps offering trips and athletics for boys aged 9 to 13.

In the area of community service, there will be support for existing neighborhood groups and encouragement of new organizations. There are several neighborhood service centers offering 7-day-a-week help to people with medical, legal, or personal problems.

There are all these programs and more, each designed to operate as a part of a whole, toward the goal of expanded opportunities for the youth of the lower East Side. The program's \$12 million, 3-year budget was met with funds from the Delinquency Act (Public Law 87-274), the city of New York, the Ford Foundation, and the National Institute of Mental Health. (Approximately \$650,000 a year for each of 3 years has been allocated by our program.)

We believe the story of mobilization, following so many years of dedicated effort, is a highly exciting one.

The mobilization project has also revealed the difficulties that are encountered when a community attempts to implement its previously developed comprehensive plan of action. This experience will be of immense value to other communities as they move from the planning into the action phase. By the end of the current fiscal year, we expect to award two more grants for the action phase of a major demonstration project. Both will be in communities where we also financed the planning phase. This will enable us to carefully study the transitional experience.

THE TRAINING GRANT PROGRAM

When Congress enacted Public Law 87-274 it recognized this lack of adequately trained workers in the delinquency field. Through section 4 it authorized the Secretary of Health, Education, and Welfare to make grants for training personnel now employed or preparing for careers in the area of juvenile delinquency and youth offenses. The increase in delinquency rates and the lack of skilled personnel make it imperative to supplement the training of those engaged in full-time work with delinquents, such as police, judges, probation officers, correctional institution staff, parole workers, and youth gang workers in a community. At the same time, short-term training must be provided for teachers, employment counselors, family welfare workers, volunteers and others who daily influence the lives of young people. To achieve these objectives, support has been given for the establishment of training centers and short-term training, such as institutes, workshops, and seminars, and special projects for the development of training materials.

The number of persons capable of providing specialized training is limited, and thinly dispersed in different communities and operating agencies. Consequently, in order to train as many individuals as possible, six training centers have been developed throughout the country. These are located principally at universities interested both in developing training programs in delinquency prevention and control and in servicing the training needs of various agencies, groups, and communities throughout the area. A number of potential training centers are now making applications for support and it is expected that approximately four more such centers will be established with the funds available in the current fiscal year. These centers are being required to demonstrate: (1) teaching competence; (2) an ability to coordinate a range of relevant disciplines; (3) willingness to share costs; (4) adequate physical facilities for housing the center; (5) access to target populations. The focus of training in the centers will be upon improved means for integrating the adolescent, especially the prob-

lem adolescent, into total community activities. Such a focus places heavy emphasis upon prevention and rehabilitation, and also upon the correctional treatment programs. Grants are also to be made to universities and other training agencies capable of providing effective training in workshops, institutes, or other short-term training experiences. Ten such grants have already been made. Special consideration is being given to the support of training programs which will lead to the development of new training materials through analysis of the everyday issues and decisions which various types of practitioners in youth services must face. To date, 15 of these curriculum development grants have been awarded. It is expected that the materials developed through the curriculum development grants will feed into the established training centers and other training agencies so that the variety of youth serving personnel will have ready access to training materials which are geared to their needs and which will strengthen their skills in dealing with problem youth. Such materials will also seek to expand the understanding of youth serving personnel with respect to the origins and dynamics of delinquent behavior.

Priority is also given to applications which demonstrate new methods of training or that open up training possibilities with new groups of workers not now being reached by current programs of training.

HEARING AND SPEECH

PREFACE

From 36,000 household interviews conducted in 1957-58 the National Health Survey has estimated that as many as 7 million Americans have a hearing or speech impairment. In fact, hearing disorder is our most widespread physical disability. The approximate 6 million hearing disabled are nearly one-fourth of the total number of all the impaired. They include more than 100,000 who are totally deaf and even more whose loss is so great as to prevent their acquirement of speech, language and knowledge by ordinary means. Also, they include more than 1 million who have severely handicapping speech problems that relate to stuttering, cleft palate, aphasia, laryngectomy, mental retardation, or cerebral palsy.

Without the proper treatment or training, it is unlikely that the individual with impaired hearing or speech will even realize his full mental or vocational potential. Unable to communicate effectively with others, he may find himself unequal to the demands of the school curriculum, or later in life, incapable of holding down a job commensurate with his real abilities. The feeling of isolation engendered by his disability may even lead to severe emotional disturbances and prevent him from achieving a normal social development.

Recent advances in medicine, education, and rehabilitation have shown that much can be done to assist the speech- or hearing-impaired individual to take his place as a productive member of society. While the technique employed varies with the severity and nature of the defect, almost all such individuals can be helped to overcome at least partly their physical handicap.

Often the defect may be removed or alleviated through medical or surgical treatment; in other cases, the handicapped individual may be helped to communicate through the use of artificial aids. Even when there is no possibility of restoring full powers of speech or hearing, a whole range of specially developed techniques can help the handicapped person to learn alternate means of communication, or to exploit fully whatever residual hearing or speech ability he may possess.

Unfortunately, a severe shortage of trained personnel in almost every field of endeavor concerned with hearing and speech has restricted the development of new remedial techniques and prevented large numbers of handicapped persons from taking advantage of those techniques already perfected. There continues to be an urgent need for people who have had considerable post-doctoral training in the fields of chemistry, pathology, neurophysiology, neurology, otology, and audiology to engage in speech and hearing research and to work directly with handicapped persons. In the area of vocational rehabilitation there is an insufficient number of trained counselors, psychologists, social workers, and other professional personnel concerned with adjustment to the handicapping aspects of hearing and speech impairment, and in the Nation's schools there are not nearly enough specially qualified educators to offer adequate services to the thousands of hearing and speech handicapped children.

Increased financial support from year to year has stimulated the Vocational Rehabilitation Administration, the Public Health Service, the Office of Education, and the Welfare Administration to move ahead with greater effectiveness in meeting the needs of persons with hearing or speech disorders. Among the especially noteworthy items of progress are the following:

A 5-year increase of over 50 percent in the annual number of rehabilitants who have hearing or speech disorders; 6,529 in 1960 as against 9,900 (estimated) in 1964.

Growth of the Vocational Rehabilitation Administration long-term training program in speech pathology and audiology from 13 teaching grants and 42 traineeships in 1959 to an expected 63 teaching grants and 502 traineeships in 1964.

Captioned films for the deaf reaching 124,820 deaf individuals in the first 6 months of fiscal 1963 as against 93,366 in fiscal 1961, the first full year of operation.

Training projects in otolaryngology serving close to 200 persons in 1962, the fifth year of this program.

Tentative norms for hearing ability at ages beyond 65, criteria for noise exposure limitations, important progress in hearing testing using computer techniques and electroencephalographic responses, as exciting research results.

An expected total of 896 graduate and undergraduate scholarships in teaching the deaf at 43 institutions of higher education in the 2-year life of the program.

OBLIGATIONS

Obligations for programs in speech and hearing, fiscal year 1959 to fiscal year 1964

Agency and program	1959	1960	1961	1962	1963	1964
Office of Education:						
Expansion of teaching in education of the deaf.....				\$1,500,000	\$1,500,000	\$1,500,000
Cooperative research.....	\$204,452	\$172,986	\$159,043	135,856	266,941	771,000
Captioned films for the deaf (including administrative expenses).....		72,422	183,144	250,000	850,000	1,500,000
Educational media research.....	10,500	37,658	42,563	57,147	40,000	40,000
Subtotal, OE.....	214,952	283,066	384,750	1,943,003	2,656,941	3,811,000
Vocational Rehabilitation Administration:						
Grants to States.....	3,500,000	3,700,000	4,000,000	4,800,000	5,700,000	7,100,000
Research and demonstrations.....	359,573	378,800	365,400	553,000	725,000	1,340,000
Training and traineeships.....	287,146	440,000	736,000	1,156,100	2,041,000	2,645,000
Subtotal, VRA.....	4,146,719	4,518,800	5,101,400	6,509,100	8,466,000	11,085,000
Public Health Service: National Institutes of Health: Neurology and blindness activities (includes training figures).....	1,877,844	3,770,113	3,599,003	5,299,651	6,515,000	7,248,000
Welfare Administration:						
Children's Bureau: Salaries and expenses.....		9,937	14,975	12,982	14,608	15,576
Grants for maternal and child welfare.....	272,000	291,000	349,223	385,000	392,110	400,000
Subtotal, WA.....	272,000	300,937	364,198	397,982	406,718	415,576
Total, Department of Health, Education, and Welfare.....	6,511,515	8,872,916	9,449,351	14,149,736	18,044,659	22,559,576

OFFICE OF EDUCATION

Children and youth with speech disorders or impaired hearing (exclusive of the deaf) make up one-third of the approximately 6 million school-age children in need of special education services. These conditions if unalleviated are likely to interfere seriously with the pupils' ability to master the school curriculum or achieve normal social development and employment potential. Speech and

hearing disorders are also often a complicating factor in other types of handicapping conditions as well.

Despite the necessity for the schools to aid these children, only about one-fourth of the total number in need are reported to be receiving appropriate educational services at present. Estimates based on available statistics indicate that, of the children of school age who are now receiving speech correction or auditory training, 80 percent or more are receiving this help through school programs.

The principal activities of the Office of Education in the area of speech and hearing are as follows:

Studies conducted and disseminated by the Office.

Grants for training teachers of the deaf (Public Law 87-276).

Captioned films for the deaf program (Public Law 85-905).

Research and dissemination supported through the educational media program (title VII, National Defense Education Act).

Research and dissemination supported through the cooperative research program (Public Law 83-531).

STUDIES CONDUCTED AND DISSEMINATED BY THE OFFICE

The Office of Education, in collaboration with official educational agencies and with other agencies concerned with the problem of speech and hearing, carries on a continual study of problems of professional preparation and standards. For example, underway at the present time is a study of offerings of colleges and universities in the field of speech and hearing as part of a general survey on college and university programs for all exceptional children. Children with speech and hearing disorders are also included in the survey of statistics of special education programs for exceptional children and youth. They are included, too, in the ongoing survey of certification standards for professional personnel and a survey of State financial aids to local public school systems.

Preliminary data from these studies show that nearly every State has established special requirements for speech correctionists and two-thirds of the States have requirements for teachers of the hard of hearing. It would appear also from preliminary analysis that the number of colleges offering such programs of preparation for work in this field is increasing. Currently available data also show that nearly all States recognize this as an area of exceptionality for which State financial aid to local school systems is being offered.

An annual directory of State educational personnel which includes personnel engaged in the field of speech and hearing has been published, and a listing of State education agency publications in this field is underway. Continued and somewhat accelerated attention is being given to this problem through the long-standing channels of publication, consultation, participation in conferences and committees, and in cooperation with official public agencies, private agencies, and individuals interested in the problem.

GRANTS FOR TRAINING TEACHERS OF THE DEAF

According to current estimates there are approximately 35,000 school-age deaf pupils in the United States. Of this number, it is estimated that 8,000 are not receiving the specialized help they need from various schools and classes available to serve these children. Lack of qualified teachers is the major obstacle in providing adequate educational programs. As reported, the annual need for new teachers of the deaf numbers about 500 and there is an immediate need for some 800 new teachers.

Public Law 87-276, program for training teachers of the deaf, approved September 22, 1961, authorizes a 2-year program of grants-in-aid not to exceed \$1,500,000 per year to accredited public and nonprofit institutions of higher education for the purpose of encouraging and facilitating the training of teachers of the deaf.

The first enrollments under the act were in fiscal year 1963. Forty-three institutions of higher education located in 29 States and the District of Columbia are participating in the program. A total of 446 scholarships (291 graduate and 155 undergraduate) was awarded by the Office together with special training grants to certain institutions to improve or implement courses of instruction.

In fiscal year 1964 it is anticipated that the Office will award for use approximately 450 scholarships to encourage further additional individuals to qualify as teachers of the deaf. In addition, a followup study will be made on the first scholarship recipients under the act.

CAPTIONED FILMS FOR THE DEAF PROGRAM

The captioned films for the deaf program, a visual-aids loan service for the deaf administered by the Educational Media Branch of the Office of Education, continued its phenomenal rate of growth. During fiscal year 1961, the first full year of service, the program reached a total audience of 93,366 deaf persons. Expansion of services permitted the program to reach 124,820 deaf individuals of all ages during the first 6 months of fiscal year 1963. This audience represents more than 700 registered groups, including clubs and organizations for the adult deaf, schools and classes for the deaf, and homes for the aged deaf as well as churches and speech and hearing centers serving the deaf. The film library, comprised of more than 450 prints of some 100 titles, is hard pressed to keep up with a demand that has booked films as far as 2 years in advance.

In recognizing the need for a more flexible program to help the deaf overcome their social and cultural isolation, Congress enacted Public Law 87-715, amending the original captioned films legislation, Public Law 85-905. The amendment broadens the scope of the original law by authorizing the production and distribution of specialized educational and training films for the deaf and the training of persons in their use. It also permits research into the use of films for the deaf and raises the authorized ceiling from \$250,000 to \$1.5 million.

Plans are being formulated to implement the functions permitted by the new law in anticipation of additional funds being made available during fiscal year 1963.

RESEARCH AND DISSEMINATION SUPPORTED THROUGH THE EDUCATIONAL MEDIA PROGRAM

Since the beginning of the educational media program, as authorized by title VII of the National Defense Education Act, approximately \$178,000 has been obligated for eight research and dissemination projects in the area of speech and hearing. To date, six of these projects have been completed.

Completed research projects have provided some insight into the relationship of language instruction through media and cultural and environmental dissonance. New Mexico Highlands University, in a study of the effectiveness of teaching English (reading, speaking, and oral use) through audiovisual aids to fourth grade pupils who come from Spanish-speaking homes, found that the experimental groups reached or exceeded 100 percent expectancy in comprehension, total reading, mechanics of English, total language, and total arithmetic, as compared with the control group which reached expectancy only in mechanics. The experiment was repeated and the experimental groups again exceeded expectancy in all variables except spelling whereas the control group only reached expectancy in two variables, exceeded expectancy in four, but also failed to reach expectancy in spelling. Using televised classroom instruction, the University of Hawaii compared three methods for improving the speech (articulation) of third-grade pupils who come from a multilingual community. The results did not show that television as used in this study made any contribution to the speech improvement of third-grade pupils, tending to support the earlier findings of the University of Arkansas in a study aimed at measuring the degree to which the speech (fundamental oral communication skills—vocal, articulatory, and listening) of third-grade children was improved through the medium of closed-circuit television. A fourth project conducted by the Detroit public schools has shown that the use of audio tapes significantly assists students to adjust their language patterns to more effective ones for the area in which they live.

In the field of improved instruction for the deaf, one completed project by the University of Pittsburgh compared programed language instruction with regular classroom procedures. Although there were no significant differences between the experimental and control groups among five or six different language variables and although the control group was significantly superior on the sixth variable, the total time required for the control group to complete the program was 900 minutes as compared with a mean total time of 386.5 minutes for the experimental group. In addition, tests of retention revealed no significant differences between the two groups when tested at 1-, 2-, and 4-month intervals. These results strongly indicate the potential of programed instruction as a complement to teacher instruction of the deaf. Two new research projects in this field and their anticipated completion dates are listed below:

1. Programed instruction for the correction of written language in adolescent deaf students (University of Pittsburgh, Pennsylvania, July 1963) : A study to determine whether the errors frequently occurring in the language of the deaf can be extinguished and correct syntax substituted through programmed learning.

2. The development of a filmed program for teaching the manual alphabet (Gallaudet College, District of Columbia, June 1965) : A study to find the optimum form of stimulus presentation and learner response in programming and to apply the findings in the development of a filmed programed course in the instruction of the manual alphabet to the deaf.

In anticipation of the broad role of audiovisual materials in instruction of the hard of hearing, a title VII dissemination study has just been completed under contract by Gallaudet College titled "A Survey of Visual Aid Programs in Residential and Day Schools and Classes for the Deaf in the United States." Information collected includes the amount and type of equipment acquired by the schools, extent of use of the equipment, general characteristics of the school, and attitudes of the schools and their personnel toward visual aids. Following this activity, negotiations are presently in the final stage for a contract with Dr. Alan W. Huckleberry, of Ball State Teachers College (Muncie, Ind.), for a steering committee conference to plan a 5-year elementary and secondary curriculum using visual aids in the education of the deaf. The committee will develop recommendations as to the proposals submitted in the areas of (1) selection and circulation of educational and training films, (2) research pertinent to the utilization of films in the education and training of the deaf, (3) production of films for use by the deaf, and (4) training activities.

While newly activated research projects under title VII concern psychological and educational factors in transfer of learning and the relationship of new educational media to nonintellective factors in learning, direct application of their findings may be limited by physical impairments affecting speech and hearing. There continues a need to consider in relation to educational media such factors as production variables, maturation and other readiness factors, inherent learner abilities, and appropriate criterion measures for the testing of the hypotheses.

RESEARCH AND DISSEMINATION SUPPORTED THROUGH THE COOPERATIVE RESEARCH PROGRAM

Since 1958, 31 cooperative research projects have been contracted for in the areas of speech, hearing, and language development handicaps. It is anticipated that probably four more will be initiated by the end of fiscal year 1963. Nine of the 31 are in the area of mental retardation.

Of the four initiated so far this fiscal year, two deal with speech and hearing handicaps possessed by mentally retarded children. One of these is being conducted in St. Louis County and has been referred to in the report on mental retardation. Brief descriptions of the other three follow :

A study being conducted by Dr. Wilber Moore and Dr. Clarence Webb at Central Michigan University is concerned with procedures for evaluating the hearing of institutionalized mentally retarded. Their major objectives are to evaluate and standardize procedures for testing an institutionalized population of mentally retarded and compare the incidence of hearing loss in this group with a normal group.

Dr. Jack Birch and Dr. Ross Stuckless of the University of Pittsburgh are investigating various factors associated with the inadequacy of communication displayed by deaf children. Most congenitally deaf children are deprived of symbolic communication until formal instruction has been initiated. Some deaf children, however, simulate a normal pattern of language development by learning to communicate through manual symbolic communication. This study is designed to explore the influence of manual symbolic communication upon subsequent skill in reading, speech reading, spelling, written language, speech, and upon general educational achievement.

Dr. Ruth Irwin of Ohio State University is involved in developing an audiovisual test for use of evaluating the ability of individuals to recognize phonetic errors in speech. This instrument will be of prime value to speech therapists and researchers. The three major objectives are to develop (1) an audiovisual test for use in training students in the reliable identification of speech-sound errors; (2) a standardized audiovisual test for use by speech clinicians for

ascertaining their own reliability in judging the speech-sound errors; and (3) a test which may be used by researchers to determine reliability in making judgments of speech-sound errors.

The dissemination of research results from this area is carried on through the Library of Congress Documents Expediting Service and Photoduplication Service, and through Office of Education publications.

Plans for 1964 include increased emphasis on research activity concerned with education of children with speech and hearing impairments. Research development activities will (1) encourage new research, (2) foster the examination of various patterns of research that have emerged, and (3) develop guidelines to determine where further research is needed. A research program will be initiated which will provide for a long-term commitment of funds for a research staff and an institution to attack problems in this special area.

VOCATIONAL REHABILITATION ADMINISTRATION

PROBLEM DEFINED

Approximately 8 million Americans have vocationally handicapping problems in verbal communication. Some have disorders of the ears which are the normal means for receiving verbal messages. Some have defects in the vocal organs which are the main devices for sending verbal messages. Some have disorders of the central nervous system which interfere with receiving and sending even though the ears and vocal apparatus are whole. Some have peripheral involvements that curb free verbalization. Some have combinations of causes.

These manifold and complex causes frequently obscure the fact that speech and hearing are variables that fluctuate with physical, mental, and emotional condition. Normal ears, normal mentality, normal vocal organs, and so on should result in normal hearing and normal speech. One abnormality or more results in abnormal verbal communication. The person affected faces formidable barriers. Fortunately, the condition for many is transitory due to the wonders of medicine and the related disciplines. These are not among our 8 million whose abnormality is more or less permanent. Their lives become an endless search for techniques that foster their independence. Vocational rehabilitation workers share with teachers and others the responsibility to create, extend, and improve knowledge and resources by which the verbally handicapped can attain adjustment.

The deaf

About 250,000 of this large group are deaf people whose problems are very complex. Many of them are without useful speech despite years of training. Many have limited language skills. However, most of them have normal strength, mobility, and intelligence. They strive for achievement within the limitations of their inadequate verbal communication skills. Their handicap is primarily psychosocial. It seldom yields to medical intervention.

Two problem areas for vocational rehabilitation exist. First, the most basic and achievable need of the deaf person, specifically skill in reading and writing, is insufficiently emphasized in childhood training. Language and speech are referred to interchangeably, confusing professional and lay worker alike. Hence, the isolation of deafness is often intensified by a needless wall of language deficiency. Second, this incorrect image of the deaf person's verbal communication skills creates everywhere an expectancy in performance to which very few deaf people can fulfill. Employers and others are thus not conditioned to look beyond the poor speech for the hidden, often rich human resources.

The outcome of this is widespread underemployment of deaf people. The Vocational Rehabilitation Administration is attacking the roots of underemployment (1) by establishment of rehabilitation centers to serve the deaf; (2) by extending its training operations (a) to qualify more professional workers to work with the deaf, (b) to develop better understanding of deaf people among vocational rehabilitation workers and others, including employers and community leaders, (c) to improve the capacities of professional and voluntary workers to assist the State vocational rehabilitation agencies, and (d) to help deaf people and their coworkers develop concepts of community interrelationships; (3) by encouraging researchers to study and resolve the many economic, social, and psychological problems associated with deafness.

The hard of hearing

The several million hard of hearing pose quite different problems from the deaf. The two should never be treated as one. Whereas the deaf receive verbal communication almost solely through their eyes, the hard of hearing rely principally upon their ears, even though these are defective. The hard of hearing generally have near-normal speech and language. Their disability often has a late onset as opposed to the early affliction of the deaf. Partial hearing impairment is less a psychosocial than a medical problem and often yields significantly and quickly to medical intervention and prosthesis with speedy return to old job or a new one.

Problems facing the State vocational rehabilitation agencies in serving the hard of hearing cluster around the availability of the special diagnostic, medical, and training services this group needs. The Vocational Rehabilitation Administration is concentrating on (1) increasing the number of working centers and the supply of diagnosticians and therapists, and (2) improving through research the common diagnostic and training tools.

The speech impaired

The speech impaired necessarily include many of the deaf and the hard of hearing because normal speech production depends to a great extent upon self-monitoring which in turn depends largely upon the speaker's hearing. We hear ourselves and correct as we go along. It is not the same for the hearing disabled. However, the speech impaired also number millions whose abnormal or absent output stems from organic disorders other than hearing.

Included are the stutterers with their baffling etiology. Stroke victims make up a large portion of the group. The cerebral palsied, other brain damaged, the mentally retarded add appreciably to the numbers and the complexity of the therapy. The increasing incidence of early discovery of cancer of the larynx and subsequent successful surgical intervention results in need for learning a new way to talk.

The State vocational rehabilitation agencies find that a major problem is the lack of guidelines that enable staff to relate speech impairment to occupational handicap. Moreover, standards of casework performance and progress in therapy are not so clearly defined nor apparent in speech rehabilitation as in other areas. The resources that serve the hard of hearing can be effective for the speech handicapped if qualified staff are available. The Vocational Rehabilitation Administration drive for more hearing and speech centers relates to speech rehabilitation, too. Additionally, special emphasis is being given (1) to the development of authoritative literature on the handicapping aspects of speech disorders and their treatment and (2) to the fostering of voluntary work for the speech impaired throughout the national community on a level equal to that for the hearing impaired. Research in speech performance, production, and diagnosis continues.

NUMBERS SERVED BY STATE VOCATIONAL REHABILITATION AGENCIES

The aim of the public vocational rehabilitation program is the preparation of the occupationally handicapped disabled person for suitable employment. The State and the Federal Governments share this responsibility with the State vocational rehabilitation agencies actually determining eligibility and providing services using grant-in-aid funds administered by the Vocational Rehabilitation Administration.

All of the resources of the public vocational rehabilitation service are aimed at the occupational adjustment of the person whose disability is a vocational handicap. The media for attaining this end with each client are the case services that are patterned to individual needs. The research, training, and facility development activities of the Vocational Rehabilitation Administration and the State agencies are completely concerned with strengthening case service techniques, developing new ones, improving the capacities of the case-worker and the personnel upon whom he draws, and developing resources for better diagnostic, evaluation, training, and restoration services. The dual aim of sharp increases in the quality and quantity of services and persons served permeates the whole program.

The extent to which the State agencies rehabilitated the deaf, the hard of hearing, and the speech impaired in the fiscal years 1960 through 1963 and the numbers estimated to be rehabilitated in fiscal 1964 are shown in the following table:

*Number of rehabilitants of the State vocational rehabilitation agencies with speech and hearing impairments, fiscal years ending June 30, 1960-64*¹

Major disability	Number of rehabilitants in fiscal year—				
	1960	1961	1962	1963	1964
All rehabilitants.....	88, 275	92, 501	102, 377	110, 400	126, 500
Number of rehabilitants with major disability of speech or hearing.....	6, 529	6, 559	7, 665	8, 600	9, 900
Deaf.....	1, 617	1, 595	1, 866	2, 050	2, 300
Hard of hearing.....	3, 793	3, 843	4, 462	5, 000	5, 800
Speech.....	1, 119	1, 121	1, 337	1, 550	1, 800

¹ The total number of rehabilitants are actual for fiscal years 1960, 1961, and 1962; for fiscal years 1963 and 1964 they are estimated on the basis of State budget estimates and Federal funds requested. The number of rehabilitants in the various disability groups are actual for fiscal years 1960 and 1961; for fiscal years 1962, 1963, and 1964, they are estimated on the basis of the proportion in the group for the preceding 5-year period.

The effectiveness of casework rests in appreciable measure upon the joint planning of the counselor and the client. Clients who are hard of hearing or who have serious speech problems of other than hearing origin tax even the most skilled caseworker. Even so, counselor and client do have a line of verbal communication upon which rapport and a good rehabilitation plan can be developed together. The profoundly deaf client, however, especially that large majority who have serious language deficiencies, is not able to communicate by normal means. This is the crux. There must be communication between counselor and client for effective casework.

The State agencies have recognized this basic factor and are moving to rectify it as qualified workers become available or through special training of current counselors. Twenty-two States¹ now have staff who may be classified as expert vocational rehabilitation workers for the deaf since they are trained as professional counselors and are also able to communicate by sign language with deaf clients. Several other States are searching for qualified persons. The Vocational Rehabilitation Administration urges that each State should have at least one highly skilled vocational rehabilitation counselor for the deaf and preferably that there be one in each metropolitan area.

SERVICE CENTERS

Hearing and speech centers have been established rapidly in the past 15 years. Most come into being in universities as training and research facilities, in large hospitals as service units, and in metropolitan areas. They fill vital rehabilitation needs in diagnosis, evaluation, training, and fitting of hearing aids. There are probably today in this country as many as 400 of widely varying levels of effectiveness. The distribution is very uneven. Many thousands with verbal communication problems are just too far away from even the least of these vital service sources and even further from the technical assistance they may need. For example, a hard of hearing person who is 50 miles away from lipreading instruction, auditory training, hearing aid evaluation is not likely to be able to travel this distance several times per week for instruction. The Vocational Rehabilitation Administration is attacking this problem directly through a carefully designed project to bring the basic hearing and speech services that the majority of these disabled people need into the local community at a cost it can afford to maintain, leaving for the more comprehensive center the intricate services needed by more difficult hearing or speech cases. A successful initial experience will provide a prototype which may be demonstrated thereafter throughout the country, eventually bringing basic hearing and speech rehabilitation services within reach of every person who is hard of hearing or speech impaired.

The practical needs of deaf people are little related to speech and hearing centers. Almost all of them have had several years of intensive, expert training in speech and use of residual sound perception. They need the same vocational

¹ Alabama, Arizona, Arkansas, California, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Minnesota, Mississippi, Missouri, New Jersey, North Carolina, Pennsylvania, Tennessee, Texas, Virginia, Washington, and Wisconsin.

rehabilitation services as other clients, specifically diagnosis, evaluation, training, counseling, and placement, but in language that they understand. There are very few persons in rehabilitation centers or vocational schools who can communicate with deaf people to the point where a learning situation may be said to exist. Consequently, the Vocational Rehabilitation Administration has had to concentrate on exploiting centers where there are expert professional workers for the deaf. Usually, these have proven to be residential schools for the deaf. After a slow start, momentum has picked up to the point where diagnostic, evaluation, prevocational, and adjustment centers have been established or are planned at the State schools for the deaf in 10² States.

Encouraging byproducts of this activity are the interest in other States and the growing efforts by established rehabilitation centers to qualify themselves to serve the deaf.

Of continuing concern to the Vocational Rehabilitation Administration is the decline in the vocational training of deaf clients. The inroads of automation seem to have sharply reduced the number of entry level jobs by which the deaf have gained their footholds in industry. Consequently, more vocational training has been necessary for deaf people who frequently are being pushed aside by overcrowded vocational schools. This intensifies the training void for deaf people that exists between the special school system which generally terminates at ninth grade or less and Gallaudet College, a void which has nurtured and partially perpetuated their serious underemployment. The establishment of technical institutes to train deaf people for employment in laboratories, in commercial art, in subengineering capacities, in mass health control media, and so on, if a currently developing survey verifies information on hand, would make a beginning in correcting this condition.

TRAINING

The problem

There is a short supply of personnel to meet the needs of people with verbal communication disorders. They require the skills of speech pathologists and audiologists, of vocational rehabilitation counselors, of social workers, of psychologists, of special educators, of physicians and others. Moreover, their current geographical distribution makes adequate services in all parts of the country difficult. Social workers, psychologists, teachers, audiologists and rehabilitation counselors interested in work with the deaf are in especially short supply.

The quick incorporation into the professional curriculums of new knowledge gained from research is a difficult part of the problem that is under continuous study.

Approach to the problem

The training program of the Vocational Rehabilitation Administration is directed at solving these problems of distribution and supply of qualified personnel. Through its support of basic or advanced professional long-term training programs in speech pathology and audiology and in the handicapping aspects of audiocommunicative impairment, a sharp increase in numbers in practice is being achieved. Through support of short-term training programs, practicing speech pathologists and audiologists are also being helped to attain a higher level of technical knowledge and skill, and workers in related professional and pertinent voluntary fields have opportunities to learn more about treatment and services to people with verbal communication disorders. In addition, through support of research fellowships, the number of trained research workers is being augmented.

Long-term training

The purpose of training grants in speech pathology and audiology is to increase the number of speech and hearing therapists qualified to diagnose and treat adults with verbal communication disorders. Teaching grants are made to assist university training centers to expand their programs and modify their curricula to provide more extensive training for work with adults, since the majority of the programs have traditionally been oriented toward work with children. Traineeship grants are made to training centers so that students interested in speech and hearing therapy with adults can secure graduate train-

² Alabama, Arizona, Arkansas, Florida, Georgia, Indiana, Mississippi, New Mexico, Tennessee, and Wisconsin.

ing, and so that experienced therapists can secure advanced training to prepare for teaching or research positions.

In the field of work with the deaf, the purpose of grants is to raise the standards of all services to the deaf through depth exposure to comprehensive rehabilitation, such as higher job goals, full community responsibility, greater self-discipline, and a greater understanding of audiocommunicative disorders among all related disciplines.

Although precise numbers of speech pathologists and audiologists now employed are not known, we do know that the membership of the American Speech & Hearing Association is slightly over 9,000. Perhaps 4,000 additional non-members are working in the field. Only about one-third of the ASHA members have received certification in either speech or hearing, the standard of minimum competence for practice. The number with certification in hearing is particularly low. Based on existing standards of service, an estimated 20,000 therapists are needed for the 8 million people with speech and hearing defects. At the present time fewer than 800 students are completing the master or doctoral program each year whereas 1,500 are needed each year.

In 1964, funds amounting to \$2,451,000 are being requested. This amount will make possible teaching grants to 63 of the 130 colleges and universities offering graduate study in speech pathology and audiology and the support of 502 traineeships.

In the area of rehabilitation of the deaf, two new training programs are in operation. Previously, academic training to prepare personnel for rehabilitation of totally deaf persons did not exist in the United States, with the exception of preparation of teachers of deaf children. In fiscal year 1961, OVR inaugurated a specialized training program at the master degree level which is designed to prepare a small number of persons now working with the deaf for leadership positions in rehabilitation of the deaf. The first group of 10 trainees completed training in August 1962, and the second 10 started in January of 1963. The curriculum draws upon a number of disciplines and is composed of both classroom instruction and actual field experience in varied settings serving deaf persons.

In 1963 a new teaching program at the post-master level was initiated in audiocommunicative disability. It is designed to provide training in depth about receptive impairment. Students will come from counseling, social work, educational psychological audiology, and other fields. The first class of graduate students has just been enrolled.

In addition to these programs specifically and intensively concerned with rehabilitation of the deaf, this subject matter area is a part of the basic professional training program in many of the social work, psychology, and rehabilitation counselor curriculums. For the 1961-62 academic year, for example, seven rehabilitation counselor training programs reported using a facility for the deaf for student internships.

Relatively few professional workers are now equipped with enough knowledge about problems of the deaf or with skill in communicating with totally deaf people. State vocational rehabilitation agencies need more rehabilitation counselors with adequate experience or training to serve them. Although some university training programs in rehabilitation counseling offer limited fieldwork experience in rehabilitation of the deaf to their students who display special interest in this subject, most of them are faced with the inability to locate satisfactory clinical facilities. Counselors and therapists are urgently needed in residential schools for the deaf, in special classes in the public day schools, in the State vocational rehabilitation agencies, in public employment services, in rehabilitation facilities, in vocational schools, and in mental hospitals and institutions. For example, the absence of skilled audiologists in many residential schools for the deaf means that students leave with inadequate determination of the role of their residual sound perception and its possible contribution to independent living and employment.

In 1964, funds are requested for 6 teaching grants and 52 traineeships, at an estimated cost of \$458,000.

Short-term training

In the field of communicative disorders, courses have been conducted for speech pathologists and audiologists on (a) teaching esophageal speech to laryngectomees and others with organic voice problems, (b) diagnosis, treatment and rehabilitation of adults who have experienced aphasia as a result

of cerebrovascular accidents, (c) language retardation as a result of mental retardation or brain damage, (d) speech and hearing problems of the cerebral palsied, and (e) treatment and rehabilitation of persons with hearing loss. Between 1958 and 1962 a total of 16 such courses were held. They reached 440 persons in practice who wished to raise their levels of skill. In 1963 it is expected that 12 such courses will be conducted which will reach an estimated 335 therapists and related personnel. Funds are requested to maintain that level in 1964.

In fiscal 1964 the Vocational Rehabilitation Administration will strive to realize its longstanding plans to develop a reference for vocational rehabilitation counselors and others that focuses on the economic and social handicapping aspects of speech impairment, a subject that has been almost completely neglected but which is most critical.

In the area of rehabilitation of the deaf, training courses have been directed at providing an orientation to problems associated with deafness including the development of minimal skill in sign language and finger spelling. Since 1955 nearly 200 rehabilitation counselors, placement specialists, and others working with deaf persons have completed 4 weeks course designed to give a greater understanding of the personal, social and vocational adjustments that people with early acquired profound hearing loss must make.

Other short-term courses on adjustment of deaf people to the demands of daily living, traffic safety and driver education for the deaf, special courses on the sign language, growth and development of counselors in residential schools for the deaf, the role of rehabilitation facilities in individual diagnosis and occupational adjustment of deaf persons, and community development through organizations of the deaf are among important training projects for the deaf.

In 1964, funds are being requested to continue support of short-term training for workers with the deaf that will maintain and extend what has been found fruitful, that will meet other critical needs for this group, and that will supplement and complement the long-term training programs concerned with rehabilitation of deaf persons. Special attention will be given to the development of a handbook on the deaf especially for social workers; to the creation of a set of guides for interpreters for the deaf, hitherto completely neglected; to the extension of procedural awareness for community effectiveness among deaf people; to upgrading of school counselors; to sign-language courses in large cities; to orientation of key lay and religious workers to vocational rehabilitation; to orientation of experienced counselors for the deaf to casework with the mentally retarded and unschooled deaf; and to integration of education and vocational rehabilitation for the deaf.

Under 1963 fellowship awards, research is being undertaken in the following areas: (1) Effects of tactile presentation of speech upon ability to lip read; (2) Nonverbal personality test for the deaf; (3) effects of lateralized basal ganglia surgery on verbally mediated tasks; and (4) behavioral concomitants of neutral interactions of the auditory and a secondary sensory system.

RESEARCH

Perhaps in no other area of rehabilitation responsibility is the manpower shortage so apparent as in research. It is inevitably intensified in relation to the deaf, the hard of hearing, and the speech impaired where there are already widespread and continuing deficiencies in case service and training personnel since research frequently flows from the experiences of the caseworker and the trainer.

Another serious but less intractable problem relates to the adequacy of research design and methodology of vital proposals that are specific to actual program operations in the States. The gap between the standards of the research expert and the practical attack of the worker in the field is closing steadily as the safeguards of research are better understood and applied. An increasingly favorable research experience is expected for all three disability groups.

The dearth of researchers is starkly evident for the deaf where only 17 studies are underway despite vigorous promotion. Each is, however, very significant. Two focus on the community involvement of deaf people, one metropolitan, the other small urban. Another analyzes the circumstances of institutionalized mentally retarded deaf people, their training, and greater independence in or out of the institution. A fourth strives to develop means for preparing un-

schooling, severely handicapped deaf adults for independent living. A fifth is to demonstrate comprehensive mental health services for the deaf, an outgrowth of an earlier project that pioneered this virgin field. The fact that these last three studies were each actively promoted for over 10 years before research began illustrates manpower problems. The others are specific to speech for the deaf, to counseling, to personnel recruitment, to conceptualization by the deaf, and to training.

The Vocational Rehabilitation Administration seeks \$800,000 for funding a total of 20 studies on the deaf in fiscal year 1964. This is an increase of \$320,000 and eight new projects over the base. Primary targets will be studies of ways to make community services more readily available to deaf people, to broaden occupational horizons for them, and to develop tools to facilitate improved communication to them.

Those with speech and hearing disorders are more numerous than other disabled people. Yet, relatively few of them are rehabilitated. Reasons for this condition include: (1) a lack of widespread understanding about the handicapping aspects of communication disorders, especially speech; (2) lack of conveniently located and properly staffed service centers; and (3) better diagnostic and evaluation techniques. The Vocational Rehabilitation Administration research instrument is quite suitable to help resolve these lacks. In fact work is already in full swing to get service centers close to the people in need. Studies to bring into being better diagnostic and evaluation methods are also underway. More are in prospect.

For 1964, a total of \$540,000 is being requested to support 18 studies. This is \$240,000 more funding than in 1963 and eight more projects. Studies on how best to extend speech and hearing rehabilitation services into small towns and rural areas, or more involvement of speech and hearing rehabilitation in other rehabilitation programs, and on better diagnosis and evaluation will be emphasized.

PUBLIC HEALTH SERVICE

SPECIAL REPORT: HEARING AND SPEECH

INTRODUCTION

When the delicate mechanisms of hearing and speech are disturbed, the consequences for the individual may range from mild handicaps to ultimate problems as serious as distorted emotional development or mental retardation. The consequences are not limited to the individual; they extend through the family, the community, and the entire Nation in the expression of difficult interpersonal relationships, employment restrictions, economic responsibilities, safety precautions, and many other areas of daily living. And yet, in contrast to the average reactions to mental and motor disorders, the American public often regards these distressing health problems with apathy—and sometimes open irritation—because of a tendency to discount physical impairments which are not visible.

With the exception of federally supported research, beginning during World War II in response to requirements of the armed services and the Veterans' Administration, there were major voids in research activity and potential until the Neurology Institute initiated its program a few years ago. Now, the areas of hearing and speech are among the Institute's most rapidly growing programs.

Among the important voids discovered by the Institute when it prepared to launch its programs were a lack of reliable knowledge of the prevalence and severity of hearing and speech impairments in the country, and an alarming shortage of trained research manpower. The correction of these problems is essential to the design of effective research programs.

MAGNITUDE OF THE PROBLEM

Estimates, based on small and inadequate surveys of the numbers of persons afflicted by hearing disorders range from a conservative 3 million, of which 125,000 are totally deaf, to more liberal assertions that 80 percent of the population of the United States has some sort of deficit in hearing in one ear or the other. Information concerning speech impairments is even more uncertain.

There are many reasons for the vast differences of conjectures in these areas. But before accurate data regarding prevalence and severity of these communicative disorders can be rendered, reasonable agreement must be reached

regarding nomenclature and classifications of the disorders, establishment of the criteria of normality and abnormality, standardization of measurements of impairment, and other basic considerations.

This year, the Institute, in an effort to help resolve some of the questions, supported, through a grant to a voluntary agency, a workshop on nomenclature of communicative disorders to evaluate a proposed impairment code for disorders of hearing, voice, speech, and language comprehension and use. This workshop was only one of many intermediate steps necessary to the ultimate adoption of a uniform system of classification throughout the scientific community concerned with hearing and speech.

INSTITUTE RESEARCH TRAINING PROGRAMS IN HEARING AND SPEECH

Training needs in hearing and speech and related fields are so acute it is estimated that, at the present rate of growth, it will take 15 years to produce the number of teachers and researchers needed. This, of course, does not include the need in private practice. Surveys show there is hardly a city of 25,000 in the country that does not need an otolaryngologist.

A recent survey shows 3,306 otolaryngologists. Of course, 277 are teacher-investigators. Based on population-per-specialist rate of 34,000 people per otolaryngologist, there should be more than 5,000 otolaryngologists in the Nation now and 6,900 by 1975. The number of teacher-researchers should be at least doubled by 1975.

The Institute has been supporting training programs in otolaryngology since 1957. The growth has been rapid, with support amounting to approximately \$1 million last year for training programs and an additional half million for specialized training of individual scientists. In all, some 200 persons were recipients of Institute training support in 1962.

Last year there were 29 training programs in otolaryngology with approximately 152 postdoctoral fellows in training for academic and research positions. The Institute also supported five training grant programs in audiology, one in sensory physiology related to taste, and two in auditory physiology. Eight postdoctoral fellows participated in these programs.

In addition to training grant programs, the Institute supported the training of 36 individual basic and clinical scientists specializing in advanced aspects of audiology, neuro-otology, otolaryngology, otolaryngologic pathology, sensory physiology, speech mechanisms, auditory physiology, speech and hearing, experimental psychology (hearing), comparative audiology, and vestibular physiology. This support included special fellowships, direct postdoctoral fellowships, career development awards and career awards. Last year, career awards were made to scientists in speech and hearing for the first time. These awards, which represented the highest level of individual support offered by the Institute, were made to two outstanding scientists, one in audiology and another in sensory physiology.

To meet the demand for more highly trained persons in speech pathology and audiology, the Nation's colleges and universities have been increasing the number of programs and graduates in these areas. The Institute's recently established program of predoctoral support will be available to qualified individuals who have reached the master's level and who desire research careers in speech pathology or audiology. The broadening of the Institute's intent to include the training of specialists in organized community health services and public health also will increase educational opportunities and, it is hoped, the supply of well-trained specialists in the field of speech and hearing.

SURVEYS OF HEARING DISORDERS

Although the continuing U.S. National Health Survey, being conducted by another part of the Public Health Service, is partially concerned with impaired hearing, the goals of the survey are too general to fulfill the needs of scientists specifically concerned with the field of hearing. Smaller, more intensive surveys supported by the Institute and supplementing the National Health Survey, will be valuable in establishing definitive information on the magnitude of hearing problems in various groups and are essential to the design of sound research and treatment programs.

Since 1956, the Institute, through a grant to the American Academy of Ophthalmology and Otolaryngology, has supported a long-term nationwide program to study problems relating to conservation of hearing in schoolchildren. One of the primary goals of the program is to develop the most efficient case-

finding methods and to use these methods in estimating the magnitude of the problem in the country. The grantees, in cooperation with the University of Pittsburgh, have been conducting a pilot study, with children from 3 to 17 years of age, to develop the methods and techniques to be used eventually in the national studies.

CAUSES OF HEARING DISORDERS

Hearing disorders, in general, can be divided into three major age groups related to causes. In children, the most significant problems attach to congenital deficiencies and perinatal injuries, with a subgroup related to serve infections in infancy. In late adolescence and early adult life, otosclerosis is a dominating factor. Otitis media spans both childhood and adult life, but becomes progressively less important with advancing age. In old age, presbycusis and phonemic regression become the dominant features.

An Institute study of 2,500 children in a school for the deaf found the following causes of deafness: inherited disorders, 50 percent; perinatal factors, especially kernicterus, neonatal asphyxia and rubella, 17 percent; and infantile infectious diseases, particularly meningitis, 33 percent.

An ancillary study of the Institute's collaborative perinatal project involving the postmortem examination of children dying within the first 8 months after birth has revealed an unexpectedly high incidence of infections of the middle ear. In a group of premature children examined, 17 percent had such infection. Among infants, even higher incidence was noted.

In collaboration with scientists of the Dental Institute, the Institute is investigating the family background of a large number of children suffering from congenital deafness. Recent discoveries indicate that certain of these instances of deafness are reflections of inborn errors of metabolism, some of which involve the thyroid gland. In a group of individuals with genetically determined deafness, involvement of the thyroid gland or signs of cretinism were observed in 10 percent. If scientists can characterize and understand the underlying chemical defect of such disorders, they will have a logical basis for an approach to therapy.

The perinatal causes of deafness are being investigated within the Institute's collaborative project and its parallel animal studies in the Laboratory of Perinatal Physiology in Puerto Rico. One of the objectives of the study is to evaluate the impact of illness or injury during the perinatal period to subsequent neurosensory impairments, including disturbances of hearing, perception, language, and speech. In these studies, a careful hearing evaluation is included in the earliest examinations of the newborn. In addition, each child will have a thorough examination of language development at the 3-year age level and again at seven.

In Puerto Rico, experimental studies of auditory deficits in monkeys subject to asphyxia at birth have indicated that anatomical damage to the central auditory pathways occurs bilaterally. However, extensive destruction of these pathways apparently does not always result in central deafness. Further investigation is underway.

In studying the causes of hearing disorders in adolescents and older age groups, scientists are investigating the significance of hereditary, infections, radiation exposure, toxicity, metabolism, nutrition, enzyme and endocrine functions, allergies, auto-allergic responses, tumors of the ear or nervous system, trauma, oxygen deprivation, psychological influences and many other factors which, in general, are suspect causes of hearing impairment.

In a study of hereditary deafness in Dalmatian puppies, Institute grantees, this year, demonstrated a variety of abnormalities in the inner ear. Contrary to previous reports of studies of mature dogs, the brain and brain stem were found to be normal in puppies. There is further suggestion from these studies that the neural degeneration may progress with age.

Hearing disorders have been correlated with the occurrence of other disorders in patients. Therefore, scientists are attempting to learn the reasons for parallel occurrences of such disorders as atherosclerosis, kidney and thyroid malfunctions, diabetes, and dental problems.

On the one hand, scientists are encouraged by the progress made in controlling infections in the ear with antibiotics. On the other, there is an increasing realization that certain antibiotics in general medical use are, in fact, harmful to the hearing apparatus. Some antibiotics, such as streptomycin, have long been known to cause such damage. Investigators are now analyzing their effects. This year, Institute grantees, in two separate studies of streptomycin

and a similar drug, kanamycin, reported that the sites of toxicity of these drugs were limited to the auditory sense organ of the inner ear and do not involve the brain. It has been thought that age is an important factor in the development of cochlear damage from ototoxic drugs. However, in a study of kanamycin by other grantees this year, age did not seem to be a definite factor except in the instance of prematurity. It is not known whether this is a reflection of immaturity of the kidney or increased susceptibility of the cochlea or some other portion of the neurosensory pathway of hearing. Studies on these problems should be invaluable in preventing hearing impairment from these causes.

Increasingly, scientists and the public are becoming concerned about the significance of noise in hearing loss. The armed services, for some time, have been studying the aspects of gunfire and other sources of noise peculiar to their military operations. However, in today's world the problems of noise are far more extensive. Noise in industry and construction, ultrasonic noise from jets or dental drills, and many other sources are causing concern and are the pivots for many compensation suits today. Scientists are particularly hopeful of preventing hearing loss from noise exposure by determining in advance persons susceptible to such damage, and also by establishing safe criteria for noise exposure. Intensive research into this problem culminated this year in proposed criteria of noise exposure limitations for five sets of conditions designed to prevent significant hearing loss.

Meanwhile, other investigators are conducting epidemiological surveys in search of new clues to causes of hearing impairment.

Scientists are attempting to fulfill the serious need for more information regarding the underlying pathological lesions of many types of disorders of hearing and balance in order to understand their causes and mechanisms, as well as to further basic knowledge of the functions of various parts of the auditory system. The correlation of pathology with functional alterations, particularly in the middle and inner ears, will improve the basis for diagnosis, medical and surgical management, or prevention of ear disorders.

The study of basic pathological changes in human diseases of hearing has been especially hampered by the inaccessibility of, and difficulty in studying, the temporal bone in autopsy material. Institute grantees in several locations are now engaged in long-term extensive programs to collect temporal bones, for pathological study, from patients who have had audiometric, medical, and otological examinations before death.

Another important program was initiated this year through a paired grant at the Johns Hopkins Medical School and the Christian Medical College of Velore, India. This collaborative project is designed to study the pathological changes taking place in the temporal bones and, when possible, in the brains of young people suffering from tropical diseases and nutritional deficiencies. The unusual circumstances of the project, where there is a high mortality rate in the population, offer an opportunity to study, for the first time, the effect on hearing of nutritional deficiencies, several infectious and widespread tropical diseases, and massive drug therapy for the control of such disorders.

Clinical records will be correlated with pathological material to find the relationship between specific diseases and the type and degree of hearing loss. It is hoped that diagnostic criteria may be developed and that corollary animal research may lead to the prevention or alleviation of such disorders.

The study also will serve as a model for hearing conservation programs in India and encourage the training of audiologists and otopathologists.

MECHANISMS OF HEARING AND SPEECH

Essential to the development of remedial programs for the deaf is an accurate knowledge of an individual's disability. We now know that the individual previously considered "deaf and dumb" may suffer from any one of a variety of basic defects. These may include diseases of the ear with true deafness, interference with conduction through sensory auditory pathways leading to distortion of sound perception, or abnormality or disease of the brain mechanism having to do with the recognition and interpretation of the meaning of speech sounds. The identification of these neurosensory disabilities depends upon precise knowledge of the normal mechanisms of hearing. The Institute's basic research program therefor is placing great emphasis on the utilization of new techniques of electronics and physics to study the process of hearing and perception.

New methods for sound analysis which convert noise and speech into visible wave forms are being used for the study of the communication process. The normal vibration of the ear drum in response to these sounds is also under investigation, as is its modifications through diseases of the ear passages.

In the inner ear, there exists a shell-shaped cochlea with separate chambers of fluids, divided by a thin membrane, upon which are located the highly sensitive nerve endings which respond to sound vibrations. New microelectrode techniques now make it possible to record from the human ear the electrical responses of these sensitive endings and of the nerve. It is now possible to study with precise instruments the phenomenon of conversion of mechanical sound waves in the inner ear to electrical impulses and their ultimate transmission to the brain.

The pathways over which this message is transmitted and within which it is interpreted are highly complicated. New anatomical techniques, involving highly specialized stains which selectively highlight specific structures in the nervous system, are being used to map these pathways. An important discovery is the existence of pathways from the brain to the ear through which the incoming sound is modulated and regulated.

Within the central nervous system, the interpretation of sound as "language" involves the highest cerebral functions. Language is an almost unique capability of the human being. The language function ordinarily is lateralized on one side of the brain. The mechanism through which the two hemispheres of the brain interact and the phenomenon of lateralization of function were the subject of an important conference sponsored by the Institute last year. The proceedings have now been published under the title of "Interhemispheric Relations and Cerebral Dominance."

Because speech is limited to humans, its function has been difficult to investigate. For this reason, the discovery that the dolphin is endowed with a highly developed method for communication, with many of the characteristics of a true language, is considered important. Institute grantees are further investigating the communication process of the dolphin.

The production of speech is a complicated process which involves the formulation of language within the brain, the establishment of motor patterns involving integration of movements of lips, tongue, throat, larynx, and breathing apparatus, as well as a feedback mechanism through which the speech sounds are monitored by the speaker.

The Institute is supporting research concerned with the nature of the speech process, including the nature of speech, the character of speech defects, and the treatment in remedial procedures.

HEARING TESTS AND DIAGNOSIS

The important investigations of hearing and language mechanisms have led to the development of new methods for hearing tests which are most important for precise diagnosis.

Previously the testing of the ear relied primarily on two examinations: the physical examination of the ear structure through otoscopic examination and the testing of hearing with crude voice tests, tuning forks, and, more recently, the standard audiogram. There have been important refinements in audiographic techniques. The development by the Nobel Prize winner, Dr. Georg von Békésy, of a self-monitoring recording audiograph is providing information important in distinguishing between diseases of various parts of the ear and central nervous pathways. This technique is under continuing investigation and refinement by Institute grantees. Standardized word sounds are also proving valuable in distinguishing perceptual defects from auditory defects. In young children, it has been essential to develop methods of hearing tests which do not rely upon formal cooperation. "Peepshow tests" have been developed for children in the older age groups who are trained to observe attractive pictures in response to a heard sound. The psychogalvanic skin resistant test relies upon conditioned reflexes of the sympathetic nervous system which automatically indicate that a sound has been heard in the uncooperative patient or child. In other tests, electroencephalographic responses produce objective evidence of hearing. These methods, combined with newly developed computer techniques, are making available highly sensitive indications of hearing.

Tomography of the temporal bone, also, has furnished another diagnostic aid for the otologist. This photographic technique permits a study of selected

delicate structures within the ear without photographing other anatomical structures which lie above or below them.

And yet, even today more satisfactory testing methods are needed. These various tests have individual advantages and limitations. Even though the electroacoustic and electrophysiologic tests in general are more dependable, a great deal more research and standardization is essential.

Scientists are attempting to eradicate many sources of error in current testing measures and seeking new testing techniques. One of the problems to which they now are addressing themselves is the need for accurate determinations of the normal thresholds of hearing, especially in the newly expanding aged populations between 65 and 90 years, which will be important in the standardization of audiometers. The results of recent studies supported by the Institute have provided tentative norms for hearing ability at ages beyond 65, but much confusion remains in this area.

On the opposite end of the age spectrum, there is need for determining the normal development of hearing in infancy. The Institute's collaborative perinatal project and related studies, which include critical and detailed studies of over 40,000 developing infants, are contributing particularly valuable information to meet this need.

Within the perinatal study there is a highly refined test of hearing in the newborn, and hearing and language development tests at the 3-year level, also to be repeated at the 7-year level. There are two objectives of this extensive language development program. These tests will aid in determining the types of hearing and language disabilities attributable to prenatal causes. The study also will serve to validate screening procedures important to the establishment of a national program for early detection and remedial treatment of hearing and language disabilities in pre-school-age children.

The need for reliable detection measures for pre-school-age children cannot be overestimated since, for greatest effectiveness, hearing and language disabilities should be corrected during the stage where language is normally developing, especially to adequately prepare the child prior to the period when he should be entering school.

Preliminary observations have indicated there are marked developmental changes in attention, interest, and consequent responses to sounds within the first year. Before 4 months of age, random responses may be evoked from a large variety of sounds. After that age, consistent reactions are found, and the normal infant shows a preference of interest in the human voice. Although this preference continues at an enhanced level throughout the first year, it has been observed that the infant is not easily distracted by various environmental sounds before the age of 8 to 10 months. In contrast, however, considerable distraction is observed at 12 to 13 months.

In addition to the work of the collaborative project, other programs supported by the Institute are contributing similar information. The current Institute-supported pilot study being conducted as a prerequisite to the long-term nationwide program of hearing conservation, mentioned previously, is devoted to the development and validation of screening and testing techniques in the school-age group. Preliminary results indicate a relatively high incidence of hearing disability and an acute need for greater refinements in current screening procedures within the school system.

Among current research endeavors to eradicate sources of error in hearing tests are studies of variability in the way the earphones fit the ears and affect certain types of tests, variations in techniques of masking which make possible the testing of hearing in one ear at a time by the obliteration of the sensation of one tone with another, and human variations inherent in manual audiometry. The electroacoustical performance variations of individual instruments present other sources of error now receiving attention. These include the effects of varied power supply and other physical or environmental factors on stability, repeatability, and long-term durability of the instruments important in testing hearing acuity over long periods of time to determine changes associated with aging or long exposure to noise.

Considerable attention is also being given to sources of error arising from physiological and psychological conditions in the patient such as auditory fatigue and personal motivation.

Increasingly, more thought is being given to applying test results in differential diagnosis and localization of the site of the lesion. Furthermore, scientists are employing such tests in prescribing or evaluating surgical, drug, and

rehabilitative procedures, including hearing aids; and establishing qualitative judgments for legal purposes and determining malingering and psychic deafness. Certain tests may also prove useful in preventing noise deafness by determining in advance persons susceptible to such damage.

This year, an Institute grantee, working primarily on studies of the mechanisms of hearing, developed a new instrument, called an acoustic bridge, to aid in detection of hearing disorders which can be treated surgically. This instrument, which is only about twice the size of an average surgical syringe, is inserted in the ear canal to measure the sound waves reflected from the ear drum. These waves carry information on the condition of most parts of the ear that transmit sound to the nerve endings. The simple and rapid method not only detects those hearing disorders which can be treated surgically, but also provides an accurate evaluation of surgical results. Additionally, it can be used in diagnosing hearing disorders involving the nervous system, especially in preschool children, and disorders of psychogenic, rather than organic, origin.

CLINICAL CENTER GRANTS

The increased availability of trained personnel is making it possible to organize broad multidisciplinary attacks against unsolved speech and hearing disorders. Designed to facilitate such an approach, three broad research programs in speech and hearing have been established by the Institute at Chicago, Princeton, and St. Louis.

At the University of Chicago, the Institute's clinical center grant includes the investigation of disorders of vision as well as hearing and equilibrium. The studies, being conducted with the cooperation of hospitalized as well as ambulatory patients, include two otological areas: sensory functions concerned with equilibrium, including vertigo; and auditory function where tests give promise of localizing central nervous system diseases.

The program-project at Princeton relates to the nature of hearing. Research areas include the conductive processes of the ear, the middle ear muscles, functions of the hearing organ (the cochlea), the auditory nervous system, abnormalities of hearing, and hearing in animals. Psychoacoustic studies in man and behavioral and electrophysiological hearing studies in animals are underway. Of special interest is the phylogenetic approach, in which a number of species of lower forms, including fish, amphibia, snakes, and bats, are under scrutiny for possible clues to the nature of hearing in man.

An Institute program-project in auditory communication and its disorders has been established at the Central Institute for the Deaf (St. Louis). The basic research being conducted in three laboratories—psychology, physiology, and electrical engineering—includes studies in psychoacoustics, perception and learning, and the biophysics and neurophysiology of the ear, with the data being processed by electronic computer methods. Clinical aspects of this research activity include tests of hearing and the problems of hearing aids, information of educational methods for teaching acoustically handicapped children, and further inquiry into the nature of aphasia.

MANAGEMENT AND PREVENTION

Despite the darkness surrounding certain hearing disorders, scientists have made progress in the medical and surgical management of many of these problems. The story of surgical advances in the treatment of otosclerosis is a familiar one. A statistical analysis of the various stapedectomy procedures indicate a rate of success exceeding 90 percent, irrespective of the particular technique.

The success of stapedectomy has been possible because of the development of miniature instruments, a binocular operating microscope, available antibiotics, and various techniques including the use of the vein graft with polyethylene tubing, gelfoam, and wire instead of plastic to replace the stapes.

The Institute has supported a number of investigators who have developed various stapedectomy techniques. Currently, Institute investigators are studying postoperative problems, the continued effectiveness of various grafts and prostheses, and the relative values and dangers of different anesthesia for otological surgery.

In addition to surgery for deafness from otosclerosis, other surgical techniques are available for such hearing disorders as conditions affecting the conducting

apparatus as a result of infection, congenital defects, and the disorder causing vertigo, Meniere's disease.

Methods for repairing the eardrum and for removing portions of affected mastoid have been evolving and undergoing perfection for many years. One of the newer surgical procedures for radical mastoidectomy has prevented hearing loss and reduced healing time of 3 to 6 months to an average of 19 days. This technique has been especially useful among the native population of Alaska where chronic mastoiditis has been a serious health problem.

A disorder causing serious vertigo, Meniere's disease, can be effectively treated in many instances by surgery. Since hearing is often impaired by this technique, however, it is extremely important that the diagnosis be carefully made and not confused by vertigo from other causes. Since various available medical treatments are successful in many cases, and because hearing may be impaired by surgery, surgery is recommended primarily in unilateral cases in which medical therapy fails to prevent attacks of vertigo which are of sufficient frequency and severity to interfere with the patient's ability to carry on his occupational or normal social activity.

Various techniques are used when surgery is indicated for Meniere's disease. Primarily these involve either total or selective destruction of the labyrinth. A rather recent technique employing ultrasonics is reported to relieve the disorder without destruction of the hearing. This technique, used in selected cases, involves a greater risk of recurrences than does total labyrinthectomy but does not destroy hearing.

Although it is recognized that the various medical and surgical advances are providing valuable services to many persons with hearing and speech disorders, and many new developments are underway, the primary objective of research must be prevention. This is the emphasis which the Institute has given to its research program at Bethesda and to its supported research program at the many medical centers throughout the Nation. Already many advances have been made. With an increasing number of well-trained investigators, multidisciplinary approaches and new instrumentation, significant progress is anticipated in the next few years. The estimated 1963 expenditure toward this goal for hearing and speech research is \$4,763,000.

The Neurological and Sensory Disease Service program, Division of Chronic Diseases, Public Health Service, is charged with improving health services for individuals with communication impairments. Modern obstetrical and pediatric techniques are bringing infants through complicated deliveries and diseases which one or two generations ago would probably have resulted in death. Many of these children, however, have problems that result in communication impairments. At the other end of the life spectrum, it is observed that the geriatric population is increasing and that many older people survive strokes and cancer operations which leave them aphasic, speechless due to laryngectomy, or hard of hearing. A coordinated program for taking care of the neurologically handicapped with communication impairments is a major objective of the Neurological and Sensory Disease Service program.

In carrying out our mandate to improve comprehensive health services to individuals with neurological handicaps, we recognize the existence of several problems that must be overcome in order to provide services to individuals having communicative impairments. (1) There is a shortage of speech pathologists, audiologists, medical, and other allied medical personnel with special skills necessary to take care of such people. To provide adequate preventive, diagnostic, therapeutic, treatment, and rehabilitative services to the population with speech and hearing handicaps, and to replace professional people who leave the field, an estimated 1,500 speech pathologists and audiologists should be trained annually. It is estimated that only 1,000 students will complete their professional (graduate) preparation in this field during 1962-63 academic year. (2) The inadequate training of many people now employed in the field makes them ineffective in working with individuals having some of the more difficult clinical problems such as laryngectomy, stuttering, or aphasia. Many audiologists are not familiar with modern audiometric techniques and consequently are not effectively using those developed by recent research. (3) There is a poor geographical distribution of therapy centers and clinics for diagnosing and treating speech and hearing impairments. It is frequently necessary for people to travel 50 miles or more to a treatment center. (4) New diagnostic and therapeutic techniques are needed to manage communicative disorders, particularly refinement of diagnostic and remedial procedures for treating voice problems. Inter-

disciplinary and long-term investigations of unexplored and partially explored areas of speech pathology and audiology are urgently needed. (5) Many audiometers used to assess hearing impairments are not properly maintained. Such instruments are frequently used for years without their calibration being checked. (6) Research has demonstrated that people sometimes have ear infections even though they have normal hearing. Since such individuals are not identified in auditory screening programs, we must not only encourage the screening of hearing but also routine otological examinations.

PROGRAM ACCOMPLISHMENTS

Training

By the end of 1963, we anticipate that 12 speech pathology, audiology, and otolaryngology training projects will have been supported by grants amounting to \$350,000. During 1964, we expect to continue supporting these 12 projects and undertake support of 4 new training projects for a total expenditure of approximately \$400,000. In addition, we anticipate awarding eight individual traineeships totaling \$40,000. In 1963, two grants were awarded for the training of physicians, residents, social workers, and occupational therapists who are in daily contact with individuals having defects of speech and hearing. We have also supported short-term training for audiologists, to introduce them to newer diagnostic methods, and for nurses and other personnel engaged in hearing testing programs. Individual traineeships have been awarded to speech pathologists and audiologists. Two institutions have received grants to enable them to train a larger number of speech pathologists and audiologists. We have also awarded a grant to enrich the training of audiologists by having them obtain experiences in a clinic located in a medical setting.

Community services

By the close of 1963, we anticipate funding six speech pathology and audiology community service projects for a total cost of \$175,000. In 1964, we anticipate that support for these six projects will continue and that four additional projects will be funded for a total of \$250,000.

Grants have been awarded to establish audiometric programs in health departments serving communities which have no such service available, to expand services in a community speech and hearing center, and to establish a clinic in a hospital not previously offering such services. We have awarded a grant to expand and reorganize a speech and hearing clinic in a large metropolitan hospital, and will encourage establishment of such clinics so that individuals can receive medical attention for problems that may accompany or result in a communicative impairment. A grant has also been awarded to a State board of health to enable it to establish a statewide audiometric screening program.

The Neurological and Sensory Disease Service program also has an intramural program in speech and hearing. On a pilot basis, we are supporting a program for checking the calibration of audiometers. We are studying the relationship between hearing ability in adults and the pathological condition of their ears and are assessing, through a committee of professional people, the need for preparing a handbook dealing with the establishment of hearing conservation programs for adults. We anticipate the utilization of \$100,000 for intramural operations in 1963 and estimate this amount to be doubled in 1964.

FUTURE PROGRAM AREAS

The neurological and sensory disease service program which was established in January 1962 is developing rapidly. At least three areas merit special mention: (1) A great deal of experimental work and research has been undertaken to facilitate identifications of infants who may be destined to become hard of hearing. It is a public health responsibility to demonstrate, through the use of short-term training programs and other educational activities, the techniques for identifying these infants so that they can be closely followed. It is most desirable to identify hearing impairments as early as possible so that remedial and therapeutic measures can be applied at any early age when children learn so rapidly; (2) speech pathologists should have an opportunity to learn some of the newer diagnostic and therapeutic techniques for working with aphasics and laryngectomees. Modern medical advances have increased the survival rate of patients having strokes and those having cancer of the larynx. Thus, as our population grows older, we have an increasing demand for speech pathologists who are skilled in

working with aphasias and laryngectomees. We anticipate the support of short-term training courses in these and other areas such as stuttering, auditory impairments, and cerebral palsy; and (3) We anticipate a surge of short-term training activity designed to give speech pathologists the skills necessary for working with mentally retarded children, those identified as slow learners, and those with other communicative impairments such as reading and spelling..

We anticipate increased activity in applied research and believe that many projects will involve the speech and hearing impaired.

There are many other areas in which the neurological and sensory disease service program will assume some degree of leadership, and the fact these are not mentioned in detail is not to be construed as a lack of interest. Two of these areas are the training of speech pathologists and audiologists in public health concepts, and an educational program aimed at reducing the number of individuals who are victims of industrial noise.

CHILDREN'S BUREAU

Obligations

	1960	1961	1962	Estimate, 1963	Estimate, 1964
Salaries and expenses.....	\$9,937	\$14,975	\$12,982	\$14,608	\$15,576
Grants.....	291,000	349,223	385,000	392,110	400,000
Total.....	300,937	364,198	397,982	406,718	415,576

Children with severe impairments of hearing, speech and language may be handicapped and restricted not only in oral communication, but also in mental growth, emotional development, and social maturity. The Children's Bureau through technical assistance, the grants program, and demonstration and training projects has focused on the development and improvement of programs in the State health departments and crippled children's agencies for these children.

The objectives of the Children's Bureau program are—

1. The early discovery of children with partial and total loss of hearing, and speech and language impairments;
2. The provision of diagnostic evaluations which are multidiscipline in nature and comprehensive in scope;
3. The provision of preventive and remedial medical and surgical treatment, hearing aids, and other audiological and speech services;
4. The increase in the number of trained personnel who are qualified to work with children with hearing and speech impairments.

TECHNICAL ASSISTANCE

Consultative service is provided by the Children's Bureau consultant for audiology and speech pathology to State health departments and crippled children's agencies, to professional speech and hearing organizations, to university training and clinical programs, and to voluntary agencies. This consultation covers recommendations for program development, personnel standards, procedures for better service, and guidance for professional training and education.

GRANTS TO STATE HEALTH DEPARTMENTS AND CRIPPLED CHILDREN'S AGENCIES

Grants-in-aid provided through title V, parts 1 and 2 of the Social Security Act give basic support for speech and hearing services in most of the States, consisting of programs for the discovery and subsequent diagnosis and treatment including medical care, remedial surgery, provision of hearing aids and speech and auditory training.

In 1961, 44 State health departments reported testing the hearing of 4,556,692 children, and referred 97,661 who appeared to have medically significant losses for further evaluation and treatment. At least 44 States health departments and crippled children's agencies provided medical and audiological services. The State crippled children's agencies reported giving services to 24,633 children with hearing impairments and to 18,383 children with cleft palate or cleft lip.

Presently 40 States have personnel in the health departments or crippled children's agencies who are specifically assigned to conduct a speech and hearing program.

DEMONSTRATION PROJECTS

The Children's Bureau supports speech and hearing projects which demonstrate special aspects of casefinding and the subsequent medical, surgical, and audiological treatment. Special projects in hearing conservation are supported in Colorado, Hawaii, Maine, and Pennsylvania (University of Pittsburgh). Special project funds are granted for cleft palate rehabilitation in which one of the major goals is the correction of defective speech. Such grants are currently going to Alabama, Illinois, Maryland, Massachusetts, Montana, and Virginia.

A number of other special projects, not specifically limited to speech and hearing, provide services for children with hearing, speech, or language handicaps. Such projects are supported in the District of Columbia, Rhode Island, and Kansas. Additionally, nearly every project for the mentally retarded provides for hearing, speech, and language evaluations.

TRAINING GRANTS

The Children's Bureau currently provides special project grants to five universities for audiology and speech pathology fellowships (Johns Hopkins University, Vanderbilt University, University of Iowa, University of Kansas, and Stanford University). These grants partially meet the need for training professional workers within a medical environment which emphasizes the interrelationships of the various disciplines involved with children who have speech and hearing impairments. This program for training is planned not to overlap or duplicate the training programs of other Federal agencies.

Special training institutes will be supported at Johns Hopkins University to teach health personnel the techniques of testing the auditory response of infants and preschool age children; at University of Tennessee Dental School on glossopharyngeal dysfunction and speech; and at St. Christopher's Hospital, Philadelphia, on speech and hearing and mental retardation.

ALCOHOLISM

The Office of Vocational Rehabilitation, one of the two agencies of this Department directly concerned with the problems of alcoholism, will spend an estimated \$1,137,500 in fiscal year 1964 in programs related to alcoholism. Approximately 90 percent of this amount will be spent in rehabilitating an estimated 1,400 alcoholics through the State vocational rehabilitation agencies. The remaining 10 percent will be spent in continuing research projects begun in 1961 or earlier as well as on new projects related to alcoholism.

The Public Health Service will spend an estimated \$3,390,000 in fiscal year 1964 for grants and direct operations in alcohol programs. The many areas of research in which investigations are being supported range from basic biochemical studies to those involving complex social relationships. In addition, support is provided for determining the effectiveness of various forms of the treatment of alcoholics as well as for various research projects which are indirectly related to this problem. The Public Health Service also provides technical assistance and consultation services to State and local agencies.

The following table presents the total departmental obligations for the period 1960-64:

Agency	1960	1961	1962	1963 estimate	1964 estimate
Office of Vocational Rehabilitation:					
Grants to States.....	\$175,000	\$260,000	\$400,000	\$625,000	\$1,000,000
Research.....	80,158	156,828	132,313	148,229	112,500
Training.....			11,346	25,000	25,000
Total, OVR.....	255,158	416,828	543,659	798,229	1,137,500
Public Health Service, National Institute of Mental Health:					
Research grants.....	1,068,516	1,262,954	2,003,000	2,320,000	3,000,000
Fellowships.....	0	0	0	4,000	10,000
Training grants.....		58,000	76,000	100,000	130,000
Direct operations.....	70,000	70,000	170,000	322,000	250,000
Total, PHS.....	1,138,516	1,390,954	2,249,000	2,746,000	3,390,000
Total, HEW.....	1,393,674	1,807,782	2,792,659	3,544,229	4,527,500

The following statements provide further detail concerning programs related to alcoholism.

VOCATIONAL REHABILITATION ADMINISTRATION

1. PROBLEMS IN REHABILITATING THIS DISABILITY GROUP

The Committee on Alcoholism of the World Health Organization has defined alcoholics as: "Those excessive drinkers whose dependence on alcohol has attained such a degree that they show noticeable mental disturbance and interference with their bodily health, their interpersonal relations, their smooth social and economic function and who show prodromal signs of such developments."

In the field of vocational rehabilitation, alcoholism is a most serious problem. It is estimated that there are nearly 5 million victims of alcoholism in the United States today. About 2 million of these are job holders who constitute almost 3 percent of the entire industrial force. Some 200,000 new cases arise annually. Wage losses attributed to alcoholism amount to almost \$4½ million a year. It ranks with cancer, heart disease and mental illness as one of the four major health problems.

An increasing number of State vocational rehabilitation agencies are developing special programs for the rehabilitation of alcoholics. Most of these are in collaboration with those independent agencies in the community having overall responsibility for the problem such as State commissions on alcoholism or treatment centers. In some States treatment programs may be developed under the Department of Health or the Department of Mental Health. In any event where these programs are well established it is the general practice to assign a counselor from the State vocational rehabilitation agency to participate in serving referrals. In some instances this counselor follows through with rehabilitation plans, in others he may refer the client to counselors carrying a regular caseload.

The referrals from State mental hospitals include many alcoholics. However, it is the policy of most State vocational rehabilitation agencies to accept for service only those persons diagnosed as alcoholics who become members of Alcoholics Anonymous or are participating in an active treatment program.

2. ACCOMPLISHMENTS

Federal-State program

The consistent gain in numbers of alcoholics rehabilitated is reflected in the following table:

Fiscal year	Number	Amount ¹
1959	246	\$140,000
1960	309	175,000
1961	440	260,000
1962	638	400,000
1963	950	625,000
1964	1,400	1,000,000

¹ Amounts show Federal share only under secs. 2 and 3 of the act.

Research

Under the research and demonstration grants program as authorized under Public Law 565, the VRA has granted funds for eight projects on alcoholism. Three of these have been completed.

Grant awards for research and demonstration projects in alcoholism

Grantee	Amount of Federal grant approved fiscal year				
	1960	1961	1962	1963	1964
Volunteers of America of Los Angeles, Inc., Los Angeles, Calif. To demonstrate the employability of a group of chronic alcoholic men through the utilization of a multidisciplinary professional staff in a service center. Project No. 284.	\$41,118				
The National Council on Alcoholism, Inc., New York. A demonstration of the value of vocational counseling in a psychiatric oriented rehabilitation program for alcoholics. A 3-year project now in the 3d year. Project No. 418.	39,040	\$45,100	\$44,100		
The Salvation Army Men's Social Service Center, San Francisco, Calif. To demonstrate the effectiveness of a long-term in-residence vocationally oriented program, in both rural and urban semicontrolled environments, for the rehabilitation of selected alcoholics. A 5-year project now in the 3d year. Project No. 616.		46,290	53,140	\$50,000	\$50,000
Florida Alcoholic Rehabilitation Program, Avon Park, Fla. To analyze and evaluate the collaborative techniques used by a State alcoholism program and State rehabilitation service in rehabilitating 200 alcoholic patients. A 3-year project now in the 3d year. Project No. 640.		31,271		32,796	33,000
University of California, Los Angeles, Calif. A 3-year project now in its 2d year. To study the effect of alcoholism on vocational adjustment by analyzing career patterns of 600 male and female alcoholics who have apparently ceased drinking permanently. Results so far indicate normal career progression for these individuals with some evidence that at higher occupational levels may tend to be "protected" by their employer. Personality factors differentiating these persons from alcoholics still drinking will be studied. Project No. 726.		34,167	35,073	34,965	
University of California, Los Angeles, Calif. A 3-year project just beginning. To study personality patterns of ex-prisoners with a history of alcoholism and recidivism who have not come into contact with the law for a substantial period as contrasted with those who have remained in prison over an extended period. Project No. 1146.				30,468	29,500

¹ Estimated amounts.

COMPLETED RESEARCH PROJECTS

University of Utah, Salt Lake City, Utah.

Connecticut Commission on Alcoholism, Hartford, Conn.

Volunteers of America of Los Angeles, Inc., Los Angeles, Calif.

The Utah rehabilitation agency felt the project on alcoholism demonstrated effectively a concentrated clinic team approach to the alcoholic and his problem. Consequently when the research and demonstration project was completed the

Utah agency initiated an extension and improvement project "Specialized Rehabilitation Services for Alcoholics." This project has been awarded \$7,280 in 1961 in addition to the previous year's Federal grant of \$7,251. The project has now been absorbed in the general program. Alcoholics are referred to the alcoholism clinic and are screened by the vocational rehabilitation counselor. Diagnostic procedures, consisting of a complete evaluation at the alcoholism clinic, are instituted.

Although the Colorado agency's extension and improvement project is primarily to improve services to the mentally ill, it has added one counselor to serve the alcoholics. This is also the case in the program at the State hospital in Little Rock, Ark.

Some suggestions for future research

1. Screening of alcoholics for rehabilitation. Alcoholic individuals vary a great deal in personality characteristics. Their greatest likeness is simply the fact that they drink uncontrollably and exhibit certain symptoms caused by this condition: disturbed interpersonal relationships, sense of personal inadequacy, social isolation, instability of employment. There do appear, however, to be identifiable characteristics leading to a relatively good prognosis for rehabilitation. These relate to motivation for treatment and resources for improved social relations. So far such emerging factors have been "dryness" at time of clinic contact, sobriety during clinic interviews, age (older), voluntary visit to clinic, fairly good employment history, positive family relationships, keeping of at least six clinic appointments. No doubt other characteristics predisposing to attainment of continued sobriety can be identified and developed into a structural interview to be administered during early contacts.

2. Procedures for incorporating vocational rehabilitation into the therapy of alcoholic patients. The first problem in this connection is the place of vocational difficulties in the adjustment of the alcoholic patient. Cause must be distinguished from effect. The spotty work history of these individuals is a symptom, not a part of the basic pathological process. Thus counseling and placement presuppose therapeutic intervention into the fundamental adjustment processes. For this reason ways must be found of integrating vocational guidance with therapy of a group or individual nature.

3. It has been the experience of our projects that initial job placements are frequently of short duration and followed by relapse. More than in other areas, counseling and therapy must be carried on after placement. Project 418 suggests a period of 2 or 3 years.

During this time there must be good coordination of counselor and therapist. Project 418 is trying out the effect of having the counselor participate with the therapist in group therapy sessions. Other methods of relating the two types of service could be tried out.

4. More fundamental than the job history of the alcoholic patient is his basic attitude toward employment. This involves the meaning of work for him and the use he makes of it. Thus Project 726 has adduced evidence that alcoholics often prefer work which will suffer less from worker's poor physical condition or absence on account of illness. Project 418 indicates that alcoholics at the beginning of treatment are depressed by their vocational inadequacies but at the same time may entertain unrealistic, fantasy-like views of possible employment, ideas which are essential to their concept of themselves and thus hard to uproot. Methods should be devised for dealing with the alcoholic's use of work as a support to, not to antidote to, his pathological behavior.

5. At the same time alcoholics are frequently excluded from halfway houses or recreational centers for convalescent patients. There needs to be more exploration of the use of halfway houses, rehabilitation centers and transitional employment in industry for alcoholics. Some industries have instituted remedial programs for alcoholics and these might cooperate with transitional employment programs.

TRAINING COURSES FOR THE REHABILITATION OF THE ALCOHOLICS

The subject is also given some attention in the 2-year training grant program in the various universities receiving grants for counselor training. Some of the hospital fieldwork programs afford an opportunity for some extensive study of the problem.

Each year a number of counselors from the State vocational rehabilitation agencies attend the Yale Summer School on Alcoholism and also those held locally such as in Colorado, Utah, and Louisiana.

Two training grants were made to Millsaps College in Jackson, Miss., during fiscal year 1962. The first made at the beginning of the year was for \$4,856; the second made at the end of the year was \$6,490. These are short-term courses designed to give vocational rehabilitation counselors a better understanding of the problems of the alcoholic. Another such course is planned for 1964 at the University of Georgia.

There is a need for an increase in intensive training activities in this area for rehabilitation personnel in all States. These staff will need greater knowledge of the pathology of alcoholism, modification of rigid and moralistic attitudes through recognizing the alcoholics self-depreciating image, his fundamental insecurity and dependence (especially important for the welfare client). The counselor must have some understanding too of the needs of families of the alcoholic. Spouses and children of alcoholics have been found to benefit from group therapy which in turn benefits the entire family.

Twenty-five thousand dollars will be expended in 1963 for a planning conference at the national level and an estimated \$25,000 in 1964 for workshops at the regional level.

NATIONAL INSTITUTES OF HEALTH

INTRODUCTION

Alcoholism is viewed as arising from a complex interplay of physical, psychological, social, and other factors, although the extent to which each of them contributes to the alcoholism syndrome is unknown. While progress is being made toward an understanding, there continues to be a need for more knowledge on the specific etiology of alcoholism. This knowledge can aid in reducing the incidence and prevalence of alcoholism. There is also a need for evaluative studies of different therapeutic approaches and methods.

The program of the National Institute of Mental Health is planned to fill these needs. Specifically, the Institute is increasing research activities and training programs, attracting competent professional personnel to the field, and assessing the current state of knowledge. At the same time, consultation and technical assistance services are available to the States and territories as well as to interested professional and lay groups.

Plans now are for the development of more comprehensive programs which would include: planning leadership; education; consultation; case finding, referral, and holding; treatment, aftercare, and rehabilitation services; research and evaluation; and others.

PROGRAM DEVELOPMENT

Until a few years ago, when four projects especially pertinent to the Institute's program were begun, little systematic work in the area had been initiated by the Institute. While the projects vary in content and method, all of them have the same basic purposes: to clarify and assess existing knowledge and to provide a broad understanding of drinking behavior so that ultimately more effective prevention and intervention methods can be developed. At present, the Institute is emphasizing consolidation of much of the work which is underway.

Cooperative commission on the study of alcoholism.—The commission, incorporated in California, was formed about 2 years ago as a result of efforts of Institute staff members and the North American Association of Alcoholism Programs, an organization of State and provincial alcoholism program administrators. The commission is made up of 20 members representing relevant scientific disciplines.

Major task of the commission, which has offices at Stanford University, are: (1) to make a comprehensive study of scientific knowledge now relating to alcohol use and alcoholism; (2) to inventory, study, and evaluate activities, programs, and resources playing a significant part in attempts to solve or control the problem of alcoholism; (3) to investigate relationships between alcoholism organizations and other resources such as those in the fields of mental health, tuberculosis control, correction, and professional schools for the training of treatment and research personnel; (4) to use the results of these studies to

formulate policies and recommendations for improving treatment, education, and prevention; and (5) to identify in broad terms what further research is needed.

Influence of sociocultural factors.—This research is concerned with behavior, including alcoholism, in a triethnic population and is being conducted by personnel at the University of Colorado, Boulder. The 5-year project, entering its final year, has sought to gain information helpful in developing more effective approaches to American Indian mental health. In a recent socialization study, intensive analysis of data on the high school population suggests a significant relationship between some sociopsychological attributes and patterns of alcohol use.

Nomenclature.—Purpose of this project is to aid in bringing some order to the current confusing state of terminology used in the area of alcoholism. The manner in which various terms are used is being explored and their generic meanings are being determined to establish a nomenclature suitable for both research and clinical purposes.

Alcohol usage patterns.—Techniques and methods for eliciting reliable information about nonpathological alcohol consumption have been developed as the first phase of a long-range project. Based on these findings in a study carried out in the San Francisco area, a second study concerning the nonpathological use of alcohol has been initiated. The study is national in scope and will incorporate a series of regional investigations. It is essentially epidemiological and will provide descriptive data about alcohol usage throughout the country.

Another study, also based on the San Francisco findings, will attempt to determine the social and psychological correlates of changes in drinking patterns. Special emphasis is to be given to the heavy and moderate drinkers who form a part of the probability sample. They have been divided into two groups—those who drink for personal effect and those who drink as a result of sociosituational factors. It is expected that the heavy personal effect drinkers will shift over to problem drinking, while the sociosituational drinkers will exhibit no shift or shift to less intake.

TRAINING

An integral part of the general training program in psychiatry, psychology, social work, and nursing is support of training in alcoholism.

Two training grants have been made specifically in the field of alcoholism. One is designed to familiarize students in casework with treatment and rehabilitation programs associated with alcoholism and to impart to other skills in community organization needed in State and local program development, as well as in public education and volunteer activities. The second grant is for a pilot project designed to train social scientists for work in this area. Trainees are predoctoral students who will engage in seminar and research activities focused on alcoholism.

Grants for the training of general practitioners and residents are also important in this area, since the medical profession has a key role in promoting community interest and understanding of the alcoholism problem.

The Institute is also developing plans to assist State mental health authorities in a program of inservice training, activities which will include preparation of resource material, development of pilot projects, provision for regional conferences, and others. Attention will be given to the various approaches to the problem of alcoholism.

Consultation and resource personnel have been provided by the Institute for a number of 1-week schools or institutes of alcohol studies associated with colleges and universities. Another important school is a 4-week summer school of alcohol studies, with active participation by staff members of the Center of Alcohol Studies at Rutgers University, Brunswick, N.J. The Center, for years at Yale University, functions under a research grant from the Institute.

RESEARCH

As far as is now known, no one factor causes alcoholism; thus, investigations are being supported in many areas of research, ranging from basic biochemical studies to those involving complex social relationships. They include, for example, adrenal function in relation to alcohol intoxication, the metabolism of ethyl alcohol, amino acid therapy in delirium tremens and alcoholism, the effects of alcohol on personality, and investigations of auditory and visual hallucinations produced in acute alcoholic psychosis. In the sociocultural areas

there are studies pertaining to the relationship between adult drinking patterns and the socialization process, to acculturation and the use of alcohol, and to the orientation of wives to their husbands' alcoholism.

The Institute also provides support for determining the effectiveness of various forms of treatment. These include studies of drug therapy for depressed and schizoid alcoholics, of ways in which hospital treatment programs can be continued through referral to health and social agencies, and of hospital management of alcoholic patients.

Indirectly related to alcoholism are studies in the basic disciplines—physiology, biochemistry, psychology, and sociology—which may eventually lead to greater control of alcoholism.

Under the Institute's mental health project grants program, an increasing number of grant applications is being received. Projects include demonstrations, pilot studies, surveys, conferences, administrative research, and experimental studies.

First grant pertaining to alcoholism under the program, was made in fiscal year 1958; since then three projects have been completed. There are now 12 mental health project grants active in the area of alcoholism, while some additional ones involve alcoholism and other fields.

One of these grants was made in 1959, to Massachusetts General Hospital, Boston, for a study on "Alcoholism Treatment and Initial Therapeutic Contact." Work was centered in the hospital's emergency ward, and findings show that alcoholics who receive initial care and attention, from well-prepared personnel, are more likely to enter into and continue treatment than are similar patients who do not receive such consideration. Study results indicate the need for specialized education and preparation of professional personnel for their work with alcoholics.

PROFESSIONAL AND TECHNICAL ASSISTANCE

During the past year, increased technical assistance and consultation services were provided State and local agencies by Institute and regional office mental health personnel. Many of these services dealt with developing mental health project grant applications, and with program development in a number of States and local areas.

The Institute supported 12 technical assistance projects on alcoholism and was cosponsor of the projects in association with appropriate State agencies. They included such subjects as, "Planning for Statewide Alcohol Education," held in Alabama for the six States of region IV; "What Family Agencies Can Do To Help Alcoholics and Their Families," held in Illinois; "Alcohol, Alcoholism and Crime," held in Massachusetts; "Responsibility of Official Agencies for Control of Alcoholism," held in New York; and "Development of Tuberculosis Alcoholism Treatment Program," held in Washington State. Two projects were held in California; both concerned "Interagency Program Planning for Alcoholism in a Large Metropolitan Community."

Published reports of each project grant are selectively distributed and are an important part of the alcoholism literature. Projects have been helpful in bringing together people with common interests to adopt problem-solving approaches in meeting their needs. A Mississippi project, for example, was held in June 1960 on "Alcohol Education in Secondary Schools." It stimulated further interest in continued activity, so that, following consultation with the regional office mental health staff, a mental health project grant was developed and approved, and is now in action. Title of the project is "Developing a Comprehensive Community Oriented Alcohol Education Program."

"Two ad hoc meetings on alcoholism were held during the year, one on "Alcoholism Program Development in Local Health Departments"; the second on "Community Planning Pertinent to Alcoholism."

The first meeting dealt with programs underway in Sarasota County, Fla.; Grand Rapids-Kent County, Mich.; Prince Georges County, Md.; and San Mateo County, Calif. Goals of the meeting, in which 14 persons participated, were (1) to exchange experiences, acquire a better understanding of alcoholism program development in local health departments, and to suggest ways of improving such activities, and (2) to consider the development of a symposium as a means of bringing this topic before a meeting of a national health organization.

The second meeting's discussion centered around community planning objectives as they relate to the problem of alcoholism and to the role and function of public and voluntary agencies in such planning. Participants included repre-

sentatives of State and local public agencies, national and local voluntary groups, and staff representatives of the National Institute of Mental Health, the Office of Vocational Rehabilitation, and the Social Security Administration.

The Institute continued its collaborative demonstration project with the Prince Georges County, Md., Health Department. The 4-year project, entering its final year, is based on a public health approach to the problem of alcoholism and the family. During 1962, there was increased emphasis on developing the cooperative relationship between the county program and Spring Grove State Hospital, which services the county. It is expected that county public funds will support the alcoholism program following the end of the demonstration period.

STATE DEVELOPMENTS

During the year, the Colorado Commission on Alcoholism was abolished and its functions were placed within the Colorado Department of Public Health, which established a division of alcoholism. In Kansas, the legislature appropriated \$25,000 to the Division of Institutional Management, Kansas Department of Social Welfare (the State mental health authority), for use relative to alcoholism.

Based on 1961 legislation, functions of the Oregon Alcohol Education Committee were absorbed this year by the Oregon State Board of Control (State mental health authority), which established an alcohol studies and rehabilitation section. The Washington Department of Public Health (State mental health authority), which has had an alcoholism program for several years, established an alcoholism section.

At present, there are 11 State commissions, boards on alcoholism, or other separate agencies for alcoholism which have broader functions than making studies and surveys. Personnel in these commissions and boards have, on the whole, working relationships with other State agencies, such as those of public health, mental health, education, and welfare. In the other 43 States and Territories, specific consideration is given to alcoholism by some State departments of public health (some of which are the State mental health authorities) or by the State mental health authorities, such as the Connecticut, Illinois, and Indiana Departments of Mental Health, the Louisiana Department of Hospitals, and others. In many instances, these agencies have divisions or sections on alcoholism as identifiable units for their programs.

Somewhat limited attention was given to alcoholism in six or seven States and territories. Citizen and agency interest became evident and one or two of those States may seek specific appropriations at their 1963 legislative sessions.

More State hospitals, most of which have some alcoholic patients, are providing units for these patients as a basis for more effective therapeutic programs. They are giving attention to staff selection and preparation—including in-service training—to the social environment of the unit, to group and individual counseling, to vocational rehabilitation, to half-way houses, and to various means for followup services.

Hospitals often utilize the fellowship of Alcoholics Anonymous, with AA members from nearby communities holding meetings at regular intervals in the hospitals.

DRUG ADDICTION

Three agencies of this Department are directly concerned with activities designed to combat addiction: the Food and Drug Administration, the Office of Vocational Rehabilitation, and the Public Health Service.

The Food and Drug Administration's activities include: (1) preclearance of new drugs and a review of drug labeling; (2) research to develop methods of detection and identification of drug properties; and (3) field investigations.

The Office of Vocational Rehabilitation, at present, has no intramural program. Rehabilitation activities are provided by the State rehabilitation agencies, partially financed by the Federal grant program (on a matching basis).

The Public Health Service provides consultation, technical assistance, and demonstrations through the National Institute of Mental Health in addition to providing extramural research through research grants and graduate training in the mental health professions. The programs in drug addiction range from studies of the biochemical effects of narcotic drugs to assistance given local and State agencies to deal more effectively with the problem at the local level.

In addition, the Public Health Service, through the Bureau of Medical Services, admits addicts to treatment at the PHS hospitals, Lexington, Ky., and Fort

Worth, Tex., for withdrawal from physical dependence on narcotic drugs and for rehabilitation and vocational training which will enable them to be self-supporting and to lead useful lives when they return to the community after discharge.

The following table presents the total departmental obligations for the period 1960-64:

Agency	1960	1961	1962	1963 estimate	1964 estimate
Food and Drug Administration.....	\$465,000	\$600,000	\$660,000	\$900,000	\$1,000,000
Office of Vocational Rehabilitation ¹					
Public Health Service:					
Research grants.....	433,302	445,959	833,000	930,000	1,215,000
Fellowships.....	0	0	0	28,000	65,000
Direct operations.....	4,360,387	4,958,158	5,219,082	5,550,000	5,866,000
Total, Public Health Service.....	4,793,689	5,404,117	6,052,082	6,508,000	7,146,000
Total, Department of Health, Education, and Welfare.....	5,258,689	6,004,117	6,712,082	7,408,000	8,146,000

¹ Obligation figures not available; however, it is estimated that these obligations do not exceed \$10,000.

The following statements, by agency, provide a more detailed picture of the activities of this Department relating to drug addiction.

FOOD AND DRUG ADMINISTRATION

Essentially three activities are carried on by the Food and Drug Administration to help combat drug addiction: (1) Preclearance of new drugs and review of drug labeling; (2) research to develop methods of detection and identification of drug properties; and (3) field investigations.

PRECLEARANCE OF NEW DRUGS AND REVIEW OF DRUG LABELING

Under law, the Food and Drug Administration is responsible for the safety and effectiveness of all new drugs and must carefully evaluate such drugs prior to marketing. This evaluation is initiated at the time a manufacturer submits an application requesting permission to market his new product. The evaluation consists of analyzing all the data reported on the application. This is done primarily by medical officers. When necessary, additional information is requested. In all cases, the manufacturer submits the results of laboratory and clinical tests with his application.

In the process of evaluating the safety and effectiveness of a new drug, an important consideration is whether the drug contains addicting properties. If such is the case, the new drug will not be approved unless special labeling requirements, including literature for the physician, disclosing such properties and warning of their dangers are properly complied with in every detail. These same warning label requirements, it must be emphasized, apply not only to new drugs but to all drugs on the market which contain addicting properties, and FDA periodically reviews these labels also. Such warnings to physicians, pharmacists, and in some cases, users directly contribute to combating drug addiction by cautioning physicians who prescribe addicting drugs, pharmacists who compound prescriptions, and users who could become victims without such safeguards.

RESEARCH

An important aspect of FDA's research efforts is the development of methods, mostly analytical, to detect and then identify ingredients or properties making up the products which fall under the agency's jurisdiction. Such methods are necessary if FDA is to enforce the laws for which it is responsible. Only by being able to detect and identify such ingredients and properties can evidence be developed to show adulteration and misbranding, prove false claims, and otherwise bring to light dangers to consumers.

In line with these efforts, FDA is constantly working to develop methods for the detection, identification, and determination of drug substances, some of which might be addicting. With such methodology FDA is able to analyze samples of known and approved drugs collected by inspectors in the field and determine if their addicting contents meet required standards and amounts—no more nor less than prescribed. In this way FDA can enforce the special labeling require-

ments for such drugs. In addition, where unmarked drugs of unknown origin are collected (a growing occurrence), FDA can determine if they contain addicting substances and, in some cases, obtain additional clues as to what their origin and eventual destination might be. In both cases such methodology contributes to combating drug addiction by providing evidence permitting FDA to take seizure action removing such improperly labeled or otherwise harmful drugs from the market before they do any harm.

FIELD INVESTIGATIONS

At the forefront of FDA's law enforcement efforts are its inspectors and chemists stationed in offices and laboratories located in 18 major American cities. FDA inspectors follow a planned schedule of inspections to cover as many of the plants, warehouses, and retail establishments under the agency's jurisdiction as possible with available manpower. However, they also undertake special investigations whenever information leads them to suspect violations of the law. The samples and other evidence they gather are analyzed by the field chemists, often using the methodology discussed above. The purpose of these activities is to make certain that the people who make products falling under FDA administered laws, the people who process them, who store them, distribute them, and sell them in retail channels are, in every case, abiding by the requirements of the law.

In fiscal year 1962, FDA assigned 168 inspectors (man-years) and 98 field chemists (man-years) to the general area of drugs. Of these, 43 inspectors and 10 chemists were specifically assigned to combat the illegal sale and distribution of prescription drugs. Considerable efforts were directed toward addicting drugs which make up a significant proportion of the total dangerous drugs sold illegally each year. Investigations centered around retail drugstores suspected of selling prescription drugs over the counter without prescriptions, as well as around other major channels of illegal distribution, such as truck stops and bars.

An addicting drug which has been finding its way more and more into illegitimate traffic are the barbiturates. When dispensed by prescription and used under proper medical supervision, these barbiturates are highly useful and effective in treating a variety of conditions. However, when misused, barbiturates can produce intoxication similar to alcoholic intoxication and their use in large quantities produce the characteristic symptoms of narcotic drug addiction. Deaths from overdoses of barbiturates are all too common and, regrettably, part of the market for these drugs are young people in their teens.

Of late the illegal sale of barbiturates has become a racket of major proportions. Some 800,000 pounds of barbiturates are produced annually—enough to make over 3 billion capsules or tablets of one-tenth of a grain each. While the legitimate prescription volume is very large and a considerable amount is used in hospitals as anesthesia and for animal experimental work, there is every indication that there are more barbiturates available than are needed for therapeutic purposes. The barbiturates which go into illegal channels are often peddled to narcotic addicts who cannot get so-called hard narcotics, such as heroin or morphine, to young people seeking new and forbidden sensations, and to neurotics who use them as emotional crutches.

As a result of FDA efforts, 40 prosecution cases involving the illegal sale and distribution of barbiturates were filed during fiscal year 1962. This record, in and of itself and apart from 1962 cases involving other addicting or habit-forming drugs, attests to the size of the problem and to the value of the role played by FDA in combating drug addiction.

It should be stressed that FDA has developed and maintained liaisons and cooperative arrangements with other agencies of the Federal Government responsible for waging the campaign against drug addiction. Each year, these liaisons produce contributions in the fight to protect Americans against the pitfalls of drug addiction and against drug addicts themselves. Such efforts also help to protect drug addicts from themselves.

Obligations, 1959-1964

1959-----	\$400,000
1960-----	465,000
1961-----	600,000
1962-----	660,000
1963 estimate-----	900,000
1964 estimate-----	1,000,000

VOCATIONAL REHABILITATION ADMINISTRATION

While the State vocational rehabilitation agencies stand ready to accept for vocational rehabilitation services narcotics addicts following the maximum period of treatment necessary, few cases have been referred and, of those accepted, the number of successful closures has been minimal. Seven were rehabilitated in 1959, 10 in 1960, 15 in 1961, 20 in 1962. It is estimated that 30 will be rehabilitated in 1963 and 40 in 1964.

One of the most intensive efforts has been made by the New York State Division of Vocational Rehabilitation. In 1953 a counselor was assigned to maintain liaison with Riverside Hospital, the hospital on North Brother Island established for the treatment of young addicts. Although more referrals have been made to vocational rehabilitation and more cases accepted from this source than from any other, results have not been encouraging.

In Puerto Rico we are probably more advanced in this field than in any of the States on the mainland. Within the Department of Health, there was organized in 1961 a demonstration program for the treatment of drug addicts who voluntarily present themselves to the public health services for treatment. Early in 1962 Vocational Rehabilitation became associated with this project and by May 1962 had handled approximately 20 cases. The value of vocational rehabilitation services was so substantial that a request was made for a greatly increased involvement. Subsequently, the Director of Vocational Rehabilitation submitted to VRA a research and demonstration grant application to permit the financing of a special project to determine the value of rehabilitation services for this group of patients. Currently, support has been recommended for a study to plan a suitable demonstration and evaluation of the effectiveness of specified rehabilitation procedures as applied to drug addiction.

The report of a followup study of the total hospital population made in 1959 by Columbia University School of Public Health for the Interdepartmental Health Resources Board of New York State emphasizes the many difficulties encountered in working with this group.

The study involved all new admissions between 1955 and 1959, a total of 247 patients. A record analysis based on information from the hospital and the State department of correction showed that 86 percent of the group had either been rehospitalized for treatment of narcotics use or rearrested by the police, or both, one or more times. Only 4 percent had no new experience in institutions and were believed to have had no apparent difficulties in posthospital adjustment.

Other studies including a pilot project sponsored by the NIMH point to the need for closer coordination of community services; the fact that addicts are frequently members of families that may require as much help as the patient himself and the need to recognize that addiction is a chronic problem and that any progress or even periodic assistance is a boost to the patient, his family, and the community. Institutionalization is not enough, ultimate rehabilitation must be accomplished in the community.

The VRA participated in the work of the Committee on Narcotics which was established by the President in 1954. Recommendations were submitted to the President in 1956.

The VRA will continue to encourage research and demonstration in this area. We would like to see a project on coordinated vocational rehabilitation services for addicts in the setting of a sheltered workshop, as a posthospital experience for an addict who has had successful medical treatment.

We would also like to cooperate in a demonstration of a halfway house for addicts. We understand there are only one or two. These may now be or could be the focus of vocational training, counseling, selective job placement—as well as other needed followup services in the community. A halfway house would also serve as a point of return for the addict into a new community setting.

Pilot efforts would have to precede any substantial efforts to build continuing projects or activities for rehabilitation of narcotics addicts into ongoing State vocational rehabilitation programs. They should concentrate in the cities with greatest incidence. They should also be planned to run for at last 5 years, and then hopefully to be absorbed into ongoing programs. We do not believe States can afford yet to go into so uncertain and relatively costly a venture—without Federal leadership in pilot, exploratory efforts.

Early in the planning, these pilot efforts should lead into development of special training courses for rehabilitation counselors who will handle the vocational rehabilitation of narcotic cases and others like social workers, public health nurses, probation and parole officers who will work in this rehabilitation.

NATIONAL INSTITUTES OF HEALTH

SPECIAL REPORT—DRUG ADDICTION

Introduction

National Institute of Mental Health programs in drug addiction range from studies of the biochemical effects of narcotic drugs to assistance given local and State agencies to deal more effectively with the problem at the local level. Work is carried on through technical assistance projects, mental health projects and research grants, and through research in the Institute's own laboratories and facilities.

Drug addiction apparently is a consequence of physical, psychological, social, and other factors which press on the individual at a critical point in his life. Progress is being made in understanding how addiction develops, but more information is needed. Specifically, more knowledge is needed about the life history of addicts, the impact of social and environmental factors upon them, the effectiveness of different therapeutic approaches and methods, and the basic mechanism of drug action.

In terms of treatment and rehabilitation, it has become increasingly evident that addiction must be viewed as a chronic, often intermittent, illness, requiring followup rehabilitation within the community after hospital care.

NIMH-supported demonstrations

The New York Demonstration Center, established in 1957 through Institute support, was terminated in early 1962. A report of its operations is being prepared for publication. The center was a demonstration project in which selected patients discharged from the U.S. Public Health Service Hospital in Lexington, Ky., were referred to appropriate community agencies. In addition, staff from the center conducted longitudinal studies of relapse and adjustment to the community among discharges.

Originally, it was felt that the center's most difficult problem would be obtaining the cooperation of local New York City agencies, but this did not prove to be the case. Almost all agencies approached agreed to extend services to referred patients; in some cases, this required a revision of policy which opened the door of these agencies to such patients for the first time. Activities of the center also helped disprove some generally accepted ideas about addicts; for example, staff members found that the patients and their families had strong interdependent relationships and that, frequently, the families needed as much help as the addicts.

Experience gained in this project will be utilized in a second 5-year demonstration, set up through a contract with the Medical and Health Research Association of New York City, Inc. This second demonstration project will be conducted in the New York City Department of Health's Washington Heights District with the collaboration of the Health Department and the New York Community Mental Health Board. Social workers, public health nurses, and other staff members from the Washington Heights Rehabilitation Center will provide treatment and aftercare for addicts, assess community needs for addiction control, and investigate effective rehabilitative techniques.

The Washington Heights Center, which will handle both self-referrals and cases referred by cooperating courts, will emphasize maintaining contact with drug users and developing methods to encourage abstinence. A full-time social scientist will be responsible for evaluation of the project, while consultation will be provided by representatives of several scientific disciplines.

Federal, State, and local programs

The following are examples of activity in the field of drug addiction.

The Federal Government operates two hospitals for the treatment and rehabilitation of narcotic addicts. These are the Public Health Service hospitals at Lexington, Ky., and Fort Worth, Tex. These hospitals treat Federal prisoners, probationers, and voluntary patients addicted to narcotic drugs as defined by Federal law. They contain 1,819 constructed beds. Out of a total of 4,026 admissions to these facilities in 1962, 3,471 were for drug addiction.

California revised its administrative code in sections dealing with facilities for treatment and rehabilitation of addicts. This State is also developing the former Corona Naval Hospital near Los Angeles into a California Rehabilitation Center which will provide treatment facilities for 2,300 patients.

Section 11721 of the California Health and Safety Code, which declared it a criminal offense to be addicted to narcotics, was declared unconstitutional by the Supreme Court on June 26, 1962, on the grounds that it constituted a cruel and unusual punishment in violation of the eighth amendment. The majority opinion in the 6 to 2 decision stated that while California could make hospitalization or treatment mandatory for addicts, it could not make addiction itself a criminal offense.

Colorado has initiated, under the State department of parole, a new followup procedure for paroled addicts, which involves the use of thin-layer chromatography for faster and more effective detection of narcotics in the urine.

Philadelphia has an institute for alcoholism and narcotic addiction as part of its division of behavioral problems, Pennsylvania Department of Health. The institute collaborates with Philadelphia General Hospital and the Philadelphia Department of Health. Also in this State, the board of parole has established an experimental narcotic unit in its Philadelphia district office. Staffed by a clinical psychologist, an assistant district supervisor and four experienced parole agents, the unit accumulates data to help establish actuarial tables and provide a basis for new concepts in the treatment and supervision of addicts and other compulsive offenders.

In New York, the Metcalf-Volker law went into effect January 1, 1963, making this State the first legally to recognize narcotic addiction as an illness. The law provides a basis for voluntary admission of addicts to special facilities and permits judges to authorize medical treatment rather than imprisonment where feasible. Under Metcalf-Volker, a drug addiction unit headed by a special assistant to the commissioner will be established in the New York State Department of Mental Hygiene. In addition, a council on drug addiction, consisting of the heads of certain State public agencies as well as designated citizens, has been established to advise on policy and help develop long-range addiction programs.

Hospital facilities for addicts in New York State include a 55-bed unit at Manhattan State Hospital, a basic research center, plus an 80-bed unit at Central Islip State Hospital and a 20-bed unit at Utica State Hospital. The hospitals provide immediate treatment and long-range rehabilitation for addicts admitted either voluntarily or as court referrals.

Since early 1961, New York City has had a narcotics coordinator. This official, an assistant commissioner of the city's department of health, has expanded his staff and is planning extensive activities in such areas as research, education and consultation.

Intramural research

The NIMH Addiction Research Center, located at the U.S. Public Health Service Hospital in Lexington, conducts research in the pharmacological, neurophysiological, biochemical, psychological, and socioeconomic aspects of drug addiction.

Tests of new analgesic drugs.—Addiction properties of new analgesic (pain relieving) drugs are tested in a program closely coordinated with the Committee on Drug Addiction and Narcotics of the National Research Council. The program has four major aims:

- (1) to provide information on the degree of addictiveness of new drugs, and thereby to determine whether they should be subjected to national or international legal controls,

- (2) to develop pain relieving, cough suppressing, and constipative drugs with reduced addictiveness,

- (3) to provide information on therapeutic and toxic properties of these drugs prior to their introduction into clinical practice and,

- (4) to discover the basic mechanisms of tolerance, habituation, physical dependence, and other aspects of addiction.

The goal of discovering a potent, pain relieving drug with little or no addictiveness appears closer than ever before. Some years ago, the Addiction Research Center demonstrated that nalorphine, the first narcotic antagonist, was not addicting, yet relieved pain in man. Unfortunately, nalorphine was found to be an impractical analgesic because it caused serious mental side effects. Current research focuses on the search for other narcotic antagonists without unfavorable side effects; the most promising appear to be those of the benzomorphan group,

developed in the laboratory of analgesics, National Institute of Arthritis and Metabolic Diseases.

Two of these compounds are of particular interest at the moment. The first, although a weak antagonist, is approximately one-half as potent as morphine for pain relief in humans, is not addictive, according to Addiction Research Center tests, and seems to produce few, if any, unfavorable side effects. The second is a potent antagonist and a very potent painkiller, since 0.5 mg. or less is equivalent to 10 mg. of morphine. It does not seem to be addictive and while it does induce some mental abnormalities, they are milder and less frequent than those produced by nalorphine. Additional clinical testing, particularly with patients requiring continuous pain relief over long periods of time, is needed.

Psychotomimetic drugs.—The psychotomimetic drugs, including cocaine, marijuana, and mescaline (the active principle in the peyote cactus used by American Indians), induce temporary psychotic states and hence are important both in terms of public health and as keys to understanding of such psychoses as schizophrenia. Recent research concentrates on tolerance and cross tolerance among these drugs with a view toward separating them into biologically related groups, in the hope that such a classification will provide important clues to their action. However, patients made tolerant to cholinergic blocking drugs are not cross tolerant to LSD; rather, the reaction to LSD is enhanced. Therefore, it seems clear that the cholinergic blockers constitute a group biologically distinct from the LSD group. Also, the LSD psychosis is not due to inhibition of cholinesterase or to increased formation or release of acetylcholine.

Since 6-hydroxydimethyltryptamine is not a psychotomimetic drug in man in doses of 2 mg./kg., it cannot be the active form of dimethyltryptamine, as has been suggested, since the latter induces a striking psychotic state in doses of 1 mg./kg. There is no, or only a very low degree of, cross tolerance between LSD and dimethyltryptamine.

Psychological studies

In this area, clinical studies have four major emphases: (1) the psychopathology of narcotic addiction, (2) study of the subjective effects of central nervous system drugs and the relation of these effects to personality characteristics, (3) determination of the variables influencing social deviance, and (4) studies of the effects of drugs in cycles of addiction on psychophysical measures.

As an example of one type of research, a recent study uncovered many similarities in the personalities of addicts, alcoholics and criminals. Certain differences were also revealed; on the rating scale used (the Minnesota multiphasic personality inventory), addicts cited many more psychopathic items and items dealing with social adequacy. Alcoholics, on the other hand, were found to be more preoccupied with religious matters, more hostile, showed more impairment of performance and more feminine characteristics than did addicts.

Tests using the Addiction Research Center inventory, an instrument for measuring subjective effects of drugs, showed that most drug effects could be defined by bipolar scales of "efficiency" and "reactivity." Preliminary data indicate that psychopaths tend to overestimate the most frequently occurring chance events and underplay the least frequent. Surprisingly, morphine appears to reduce the tendency to overplay the most frequent alternative. During a cycle of addiction to morphine, the basal conductance level of the skin increased as did the size of the electrodermal response to disturbing stimuli, suggesting a state of autonomic hyperreactivity during addiction. Similar studies are underway with pentobarbital.

Experimental psychology focuses on the psychological mechanisms associated with pain relief and the conditioning of narcotic drug effects in an effort to explain relapse. One study showed that suppression of the conditioned emotional response in rats by morphine was not due to a failure to perceive the conditioned stimulus or an inability to discriminate. The powerful drug etonitazene, when tested on rats, effectively suppressed abstinence from morphine and created addiction. Rats that are withdrawn from morphine drink more etonitazene than do control groups of rats; in other words the animals, once addicted, tend to relapse.

Biochemical studies.—These studies, being conducted at the NIMH Neuropharmacology Service Center at St. Elizabeths Hospital, involve research in the effects of narcotics on chemical activities of cells within the central nervous sys-

tem, as well as the development of improved methods for detection of narcotics in body fluids. Recent findings establish the catecholamine levels in the brains of addicted rats rise and fall to, but not beyond, normal concentrations during abstinence, indicating that addiction to and abstinence from morphine is associated with striking changes in catecholamine metabolism. The same phenomenon is being investigated in man through studies of catecholamine output in urine during cycles of addition. Tests for detection of opiates in urine were improved during the year by changing from paper to thin film chromatography, which reduces analysis time from 24 to between 4 and 6 hours.

Neurophysiological studies.—This area involves studies of changes in the central nervous system during addiction to opiates as well as research in activities occurring during cycles of barbiturate addition in cats and dogs. Tests with dogs showed that tolerance and physical dependence upon morphine develop more rapidly in the brain than in the spinal cord, suggesting that more than one mechanism subserves these phenomena. The possibility that activation of parallel paths may be one such mechanism is currently being investigated, as are shifts in homeostatic regulatory mechanisms within the central nervous system. Further refinements have been made in the acute infusion technique which develops physical dependence in dogs in 8 hours. Using this method, investigators are testing patterns of reflex change in the spinal cords of dogs.

In other studies, chronically decorticated and chronically decerebellated dogs experienced withdrawal convulsions when barbiturates were withdrawn after chronic intoxication, indicating that neither the cortex nor the cerebellum is a necessary substrate for withdrawal fits. Future research will concentrate on the determination of thresholds for the elicitation of electrophysiological responses in various parts of the brain. Since drugs that are supposed to elevate gamma amino butyric acid levels in the brain have been shown to partially suppress abstinence fits, additional studies will necessarily involve direct measurement of GABA levels in the brain.

Detection of narcotics in the urine has been speeded by the use of thin-layer chromatography. This technique, which permits the rapid separation of various organic compounds, employs glass plates coated with absorbent material. The procedure is so rapid that the presence of narcotic drugs or their metabolites can be detected in the urine within 4 to 6 hours.

Application of this technique to narcotic detection in urine was studied and deemed feasible by scientists at the NIAMD, following a conference at Bethesda in which experts on addiction and opiate chemistry from several States agreed that better, more efficient methods than Nalline had to be developed for analysing urine for opiate alkaloids.

In addition to its value as an improved method of detection, the technique is also believed to have potential importance as a deterrent factor when used as part of a followup program for paroled addicts. For example, a paroled addict who knew he would be subject to such a test might thereby have an additional reason for abstaining from the use of drugs. This is the theory behind the Colorado program previously mentioned.

EXTRAMURAL RESEARCH

Six mental health project grants relating to drug addiction were awarded during the year. One project, in East Los Angeles, will assist in the establishment and evaluation of a halfway house for narcotic offenders as part of the program of the California Department of Correction.

During the year, work proceeded under 23 research grants, 10 in the area of drug addiction itself and 13 which also covered other areas of study. The grants support a broad research attack on addiction, including these areas of investigation: neural mechanisms of psychopharmacological agents, biochemical basis of narcotic addiction, long-term assessments of the post hospital adjustment of addicts, development of a rapid test for narcotic excretion, and tests of new drugs designed to block the active properties of morphine-type drugs without interfering with their desirable pain relieving effects.

TRAINING AND EDUCATION

The Institute provides support for graduate training in a number of mental health professions, in a systematic program to increase the trained manpower working in all fields, including such specialties as drug addiction.

The Public Health Service hospitals in Fort Worth and Lexington, and the NIMH Addiction Research Center at the latter, provide training in clinical care and research for psychiatrists and other medical personnel, nurses, psychologists, chaplains, and students. Both institutions provide assistance and counsel to visitors from the United States and abroad who come seeking help in developing their own programs in drug addiction.

The amount and kind of information available to the public about drug addiction is woefully inadequate. Consequently, plans have been made to compile such information, as a roundup of present knowledge on the subject. At year's end a mental health monograph on narcotic drug addiction was in press at the Government Printing Office.

Professional associations

A report, "Narcotics and the Law," has been published by the American Bar Foundation, a legal research organization. The report consists of the organization's study of this country's experience in narcotic drug control.

The American Medical Association and the National Research Council of the National Academy of Sciences have studied the problem of drug addiction for a number of years. In May, 1962 the two organizations issued a joint statement designed to correct widespread misunderstandings regarding the problems associated with drug addiction. According to the statement, the two groups support the following: (1) Follow-up treatment for addicts, after complete withdrawal, including services available at rehabilitation centers, (2) measures designed to permit compulsory civil commitment of addicts for treatment in a drug-free environment, (3) improvement of methods for rehabilitation of addicts under continuing civil commitment, (4) research into prevention of addiction and improved treatment of addicted persons, and (5) the dissemination of factual information about narcotic addiction.

CYSTIC FIBROSIS

Research activities on cystic fibrosis are presently being performed by the National Institute of Arthritis and Metabolic Diseases, the National Institute of Allergy and Infectious Diseases, and the Children's Bureau of the Social Security Administration.

Intramural and extramural research activities dealing with attempts to uncover the basic defect in cystic fibrosis, through the coordinated use of immunological and biochemical methods are being carried out through the National Institute of Arthritis and Metabolic Diseases.

The National Institute of Allergy and Infectious Diseases is conducting extramural and intramural research into the pulmonary infections associated with cystic fibrosis and the search for therapeutic agents effective against the chronic pulmonary disease that causes the death of most cystic fibrosis patients continues.

The Children's Bureau in conjunction with the National Institute of Allergy and Infectious Diseases is presently involved in a three-phase survey designed to determine the true magnitude of the cystic fibrosis problem. The first phase was to provide gross annual estimates on the number of cases cared for in hospitals in the United States during the period 1952-57. The second phase was to investigate methodological problems connected with sampling surveys of cases known to physicians and clinics and to obtain preliminary information on incidence and other characteristics of the disease. The third phase of the study is to derive unbiased age and sex specific estimates of the disease for a larger area of the country than was used in the pilot study so as to derive more conclusive estimates of the incidence and prevalence of cystic fibrosis than were attainable in phase 2 of the study.

The following table presents obligations of this Department for the period 1960-64 relating to cystic fibrosis:

	1960	1961	1962	1963 estimate	1964 estimate
Public Health Service:					
National Institute of Arthritis and Metabolic Diseases:					
Extramural.....	\$485,159	\$478,000	\$651,000	\$750,000	\$825,000
Intramural.....	50,000	85,000	97,000	100,000	100,000
National Institute of Allergy and Infectious Diseases:					
Extramural.....	294,000	240,000	48,000	40,000	0
Intramural.....	59,000	58,000	52,500	56,545	40,000
Total, Public Health Service.....	888,159	861,000	848,500	946,545	965,000
Social Security Administration: Children's Bureau ¹	(35,676)	(22,383)	(52,500)	(56,545)	(40,000)
Total, Department of Health, Education, and Welfare.....	888,159	861,000	848,500	946,545	965,000

¹ Children's Bureau program is financed through reimbursements from the National Institute of Allergy and Infectious Diseases and is included in amounts shown for that Institute.

CHILDREN'S BUREAU

Cystic fibrosis of the pancreas, also known as mucoviscidosis, is a hereditary disease of children, adolescents, and young adults. Clinical manifestations, seen chiefly in the pediatric age group, are well documented in the literature. Much less is known about the incidence and prevalence of cystic fibrosis. This is because of its relatively recent recognition as a specific entity and the wide range of its clinical manifestations, and because of past difficulty in establishing a diagnosis based on sound laboratory evidence.

Since 1938, when cystic fibrosis was first differentiated from other superficially similar conditions, its incidence in the population has been variously estimated. In 1946, cystic fibrosis was estimated to occur in the order of 1 case in 600 live births; in 1952, it was estimated to be about 1 case in 1,000 live births, and in 1960 it was estimated to be approximately 1 case in 3,700 live births.

As a basis of planning research programs and for estimating the relative urgency of research in this area, Congress requested in 1958 that a study be undertaken to determine the true magnitude of the cystic fibrosis problem. In response to this request, the National Institute of Allergy and Infectious Diseases contracted with the Children's Bureau to make a study. The Children's Bureau, with the cooperation of the National Vital Statistics Division of the Public Health Service planned a three-phase survey.

The first phase of the study was to provide gross annual estimates on the number of cases cared for in hospitals in the United States (exclusive of Alaska and Hawaii) during each year, 1952 through 1957. A sample of about 600 hospitals was selected from approximately 7,000 listed in the Directory of the American Hospital Association and the Directory of the American Osteopathic Hospital Association. Questionnaires sent to these hospitals brought responses from which the following national estimates were derived. In 1957 approximately 2,500 patients with a diagnosis of cystic fibrosis were discharged from hospitals. Slightly less than half (1,180) of these patients were reported by hospitals approved for a pediatric residency. The number of discharges for that year totaled about 3,200, indicating repeated hospitalization for many patients. Fourteen percent, or about 360 patients, were discharged by death. From 1952 to 1957 the number of hospitalized patients with the disease increased by about 50 percent. The number of discharges showed a corresponding increase. The estimated number of deaths in 1957 was approximately 20 percent greater than the estimated number in 1952, but this difference may be attributable to sampling error.

A detailed study of the characteristics of patients hospitalized during 1957 corroborated clinical observations that cystic fibrosis is not the uniformly fatal disease of infancy or early childhood that it was formerly thought to be. Of the estimated 2,500 patients hospitalized in that year, 10 percent were aged 10 to 20 years, and a smaller percentage were 20 years or older; only 30 percent

were infants. Among the fatal cases, 40 percent were infants. The ratio of deaths from the disease per 100 cases hospitalized during the year was 18 for infants, 12 for children in the age group 1 to 4 years, 14 for children 5 to 9 years, and 12 for those aged 10 years or more.

Almost 70 percent of the 1957 cases were in hospitals in the Northeastern and North Central States and only 9 percent in the West. Rates for hospitalization due to cystic fibrosis showed significant regional variation. There were about 5 patients under 21 years of age per 100,000 population under 21 years hospitalized in both the Northeast and North Central regions, whereas there were only about 2 cases per 100,000 population in the same age group in both the South and West. Elements contributing to regional variations in prevalence need further study. Possible factors might be due to differences in physicians' familiarity with the disease, availability of diagnostic facilities, racial predilection to the condition, and the movement of families with fibrocystic children to areas where specialized treatment is available.

The second phase of the study was to investigate on a pilot basis methodological problems connected with sampling surveys of cases known to physicians and clinics and to obtain preliminary information on incidence and other characteristics of the disease. The pilot area embodied three States—Massachusetts, New Hampshire, and Vermont. A total of 1,060 medical sources were queried by mail. Sources selected for querying included all pediatricians and a 10-percent sample of other physicians in private practice listed in the 1958 American Medical Directory for this area. All outpatient departments of general, children's and orthopedic hospitals listed in the 1959 Guide Issue of the Journal of the American Hospital Association were also queried. Sources queried were asked to give information on all cases of cystic fibrosis seen by them at any time since January 1952. There was a 90-percent response to the questionnaire.

Procedures were developed for matching patients reported by more than one physician or clinic. Also, criteria were set up for evaluating whether or not a reported case was a confirmed case of cystic fibrosis. After matching patient reports and eliminating duplicate and doubtful cases of the disease, there was a total of 621 patients who received medical care for cystic fibrosis at some time during the 8-year period 1952 through 1959.

It is important to stress that the pilot-study area is not representative of the country; hence the findings presented below should not be generalized and applied to the entire Nation. During the 8-year period, the number of cases of cystic fibrosis known during each year more than doubled; the number increased from 204 cases in 1952 to 475 cases in 1959. The incidence of newly diagnosed cases increased 57 percent or from 42 in 1952 to 66 in 1959; the number of deaths attributed to the disease remained about the same. From 1952 to 1958 the number of known fibrocystic children increased by half for the age group under 5, but tripled for the age group 5 to 9 years, and quadrupled for the group 10 years and older.

There were 169 deaths among the 621 patients reported during the 8-year period. The shift in the age distribution of deaths appeared to be substantial. Approximately the same number of patients died from the disease in each 4-year period, 1952-55 and 1956-59, but in the earlier period, 30 percent of the fatalities were among infants and only 7 percent were children 10 years and older, whereas in the later period 19 percent of the deaths were infants and 28 percent were in the oldest age group. The age at which patients were first detected as cases was about the same in 1952-55 as in 1956-59; about half of the patients diagnosed in each period were under 1 year, slightly over a third were in the age group 1 to 4; about 10 percent in the group 5 to 9, and 4 percent 10 years or older. Findings suggest that the prolonged life of fibrocystic children in recent years appeared to contribute more to the higher percentage of patients in the age group 10 years and older, than did the late detection of cases.

A preliminary rough estimate of the incidence of diagnosed cases of cystic fibrosis in the pilot area is 42 per 100,000 live births or 1 case per 2,300 live births. This is a minimal estimate because it does not take into account diagnosed cases in newborns who died before leaving the hospital or persons with the disease who were never under the medical supervision of either a pediatrician or a clinic. This preliminary estimate is lower than estimates made by other investigators in 1946 and in 1952 but is higher than that made in 1960.

The third phase of the study is to derive unbiased age-specific estimates of the incidence and prevalence trends of diagnosed cases of the disease for a larger

area of the country than the three New England States. The area selected encompasses 17 eastern States and the District of Columbia and is contained in 3 geographical divisions—New England, Middle Atlantic, and South Atlantic. It is anticipated that with a larger population base and the refinement of techniques developed in the two previous surveys more conclusive estimates of the incidence and prevalence of cystic fibrosis can be derived. Data on cases seen or treated by physicians or in hospitals and clinics during the 10-year period 1952-61 are being obtained by mail questionnaires.

The actual survey in the third phase began April 1962. To date about 6,200 medical sources have been queried one or more times. These sources include all full-time pediatricians in private practice, all hospitals with pediatric residency training, and all other hospitals having 100 or more beds; sources also include a sample of pediatricians in part-time private practice, of other physicians, and of hospitals having less than 100 beds. The present response rate of 92 percent is expected to be about 95 percent before the cutoff date. Physicians and hospitals were selected from the directories of the American Medical Association, the Osteopathic Association, the American Hospital Association, and the American Osteopathic Hospital Association.

It is expected that the project will be completed sometime during 1965. The method and findings of the first two phases of the study are available in published form.

The growth of interest in research in cystic fibrosis is resulting in the gradual extension of the services of State crippled children's programs to include children with this condition. Much yet needs to be done to spread the knowledge of this disease and to increase the number of clinical facilities adequately staffed to provide the necessary services. The cost of care is considerable for many families, averaging between \$1,000 and \$2,000 per year. The State crippled children's programs are beginning to make a significant contribution toward meeting the problem of cystic fibrosis through providing the necessary specialized services and helping to meet the costs of care.

NATIONAL INSTITUTES OF HEALTH

SPECIAL REPORT: CYSTIC FIBROSIS

Cystic fibrosis has the highest incidence and mortality rate of any of the hereditary diseases of children. As a killer of children under 15 years it outranks even poliomyelitis, rheumatic fever, and diabetes. Although cystic fibrosis has been recognized as a specific disease only since 1938, its increasing frequency throughout the world has made it a public health problem of no mean proportions; estimates of its incidence in the population range as high as 1 in 1,000 live births. During the past 6 years, 25 State departments of health have included cystic fibrosis in their crippled children's programs because of the very heavy expense for necessary and continuous care which families of afflicted children must meet.

Cystic fibrosis (CF) affects the exocrine, or externally secreting, glands of children, adolescents, and young adults. These glands discharge their secretions onto the skin (sweat glands), or into organs connected to the body's exterior (lungs, intestines, etc.), either directly or through special ducts. In CF, the mucus-producing glands do not secrete their normal, clear, free-flowing fluid. Instead they produce a thick, viscous mucus which tends to obstruct the ducts or openings of the glands. The thick mucus accumulates in various organs of the body and interferes with normal functions such as breathing and digestion.

Non-mucus-producing glands—the sweat, salivary, and tear glands—are also involved. In fibrocystic patients, the secretions of these glands usually contain an excessive amount of salt, and, as a result, many patients are unable to conserve salt. In times of stress, during excessive sweating in hot weather, for example, salt losses may be severe enough to cause death.

Nearly all CF patients develop chronic lung disease at some time during their illness. Thick mucus deposits clog passages in the lungs or the branches of the windpipe, causing labored breathing or chronic cough. In time, bacteria multiply in the accumulated secretions, and the child may fall victim to chronic bronchitis. CF patients are extremely susceptible to lung infections and may succumb to pneumonia; lung disease accounts for 90 percent of the deaths from this so frequently fatal disease. Obstructed, damaged lung tissue may also impede blood circulation, and occasionally a child may die of chronic heart strain.

Cystic fibrosis is not an infectious condition acquired from others or transmitted contagiously. The disease is the result of an inborn error of metabolism, inherited from parents who carry the genetic trait for the disorder. A carrier of the trait may not show any symptoms of the disease, yet is capable of passing the trait to his offspring, who, in turn, may partially manifest the disease. When both parents are carriers, offspring have a chance of being born with cystic fibrosis.

Recent statistics show that among children in the United States, cystic fibrosis accounts for virtually all cases of pancreatic deficiency; for a great majority of chronic, nontuberculous lung conditions; and for much liver damage. Although thought of primarily as a disease of young children, improved diagnostic methods evidence an increasing frequency of cystic fibrosis among older adolescents; also, there is reason to believe that some adults with chronic lung disease may belong in the cystic fibrosis disease category.

In the past, both the National Institute of Arthritis and Metabolic Diseases (NIAMD) and the National Institute of Allergy and Infectious Diseases (NIAID) have conducted and supported fibrocystic research, the latter Institute primarily because of the close association of CF and infectious pulmonary disease. This year, for reasons of efficiency and economy, the cystic fibrosis program has been consolidated within the NIAMD. The consolidation will be complete at the end of the fiscal year 1963 when the NIAID's obligations to its CF grantees have been discharged.

Progress in cystic fibrosis research

Twenty-five years ago, when cystic fibrosis was first recognized as a specific disease entity, it was thought that pancreatic insufficiency was the basic defect responsible for the condition and the name given to it, based on microscopic examination of this organ, was "cystic fibrosis of the pancreas." This term was misleading, however, for it is now known that the disorder involves many other organs and tissues, particularly the lungs, paranasal sinuses, sweat glands, liver, and rectum. The basic defect underlying cystic fibrosis is as yet unknown and much of the research carried on by Institute scientists in Bethesda and in the more than 30 active research projects supported by Institute grants is devoted to discovering its nature.

Scientists at NIAMD's Pediatric Metabolism Branch are making an effort to clarify the basic defect through the coordinated use of immunological and biochemical methods. In the first phase of this investigation, immunological screening techniques are employed to seek the location of an abnormal constituent common to all organs and tissues in fibrocystic patients. In the study's second phase, samples of body fluids and organ substances are subjected to chemical separation and purification by a variety of methods. Highly purified molecules isolated in this manner will be chemically analyzed to obtain information about the changes in structure and composition of mucoproteins (imperfectly understood proteins found in mucus) secreted by exocrine glands. This study represents the first comprehensive approach to the problem of the basic defect in fibrocystic disease.

Important advances in cystic fibrosis research have been made through the study of sweat. NIAMD scientists have developed an instrument to measure, simultaneously, the rate of sweating and the amount of salt in sweat. The instrument has provided some interesting and potentially important information on the deranged mechanism of sweating in the fibrocystic patient: Preliminary data obtained in a group of CF patients suggest that the relative inability of sweat glands tubules to reabsorb and return to the body a significant proportion of salt mobilized in the interior of the sweat gland, before it appears on the skin, is not due to a defect in the tubules themselves but to the formation of an abnormally concentrated precursor solution released originally in the acinar or "root" portion of the gland. Discovery of the exact defect in this mechanism might reveal a common denominator for the many apparently unrelated manifestations of cystic fibrosis in various organs of the body.

A particularly significant NIAMD finding was the discovery for the first time of mucoproteins in human sweat. This study also disclosed that CF patients had an abnormal concentration of the sugar fucose in their sweat mucoproteins, similar to the high concentration of fucose found by other investigators in previous studies of mucoproteins contained in fluid from the small intestines of CF patients.

Although the diagnostic value of sweat mucoprotein studies is as yet undetermined, they may be of great value to genetic research on CF as a reliable test to detect carriers, which has been lacking. The desirability of a test from the diagnostic, and especially the genetic, standpoint, can be readily understood when it is realized that from 2 to 5 percent of the general population are thought to inherit the cystic fibrosis gene from one parent, and some adult patients with chronic lung disease and intestinal disorders of unknown origin have been thought to be heterozygous CF carriers in whom only a portion of the inherited trait for CF has become clinically manifest. Future studies with parents and blood relatives of CF patients will determine the responsibility of the mucoprotein work to genetic problems. These investigations will add not only to our knowledge of cystic fibrosis, but also sweat gland physiology about which little is known.

NIAMD grantees provided further understanding of the disease with the discovery in CF children of a previously unknown deficiency of a fat-splitting enzyme, lipoprotein lipase, normally active in the circulation. Since it was known that the failure of CF patients to absorb ingested fats from the intestine is due to a deficiency of pancreatic lipase, the investigators have suggested that their finding may be explained on one of two bases: Either the lipase deficiency in CF is more widespread than hitherto believed and involves organs in addition to the pancreas, resulting in a generalized deficiency of more than one lipase; or, poor intestinal absorption of triglycerides over a long period results in lack of stimulation and mobilization of lipoprotein lipase within the circulation.

While these investigations of the basic mechanism, of cystic fibrosis are laying a foundation for future practical advances, work along clinical lines has improved the day-to-day therapeutic management of CF patients. During the past year, over 100 patients have been studied and treated by NIAMD's Pediatric Metabolism Branch. About half of these were hospitalized while the remainder were treated as outpatients.

The search for therapeutic agents effective against the chronic pulmonary disease that causes the death of most CF patients continues with trials of the newer antibiotic and mucolytic agents, some of which appear promising. Special attention is being given to a change in the respiratory flora, from the commonly found *Staphylococcus aureus* to the difficult-to-treat *Pseudomonas aeruginosa*, following the use of effective antistaphylococcal agents.

The incidence and pathogenesis of the failure of vision which occurs in CF is under study in collaboration with the Ophthalmology Branch, National Institute of Neurological Diseases and Blindness. Some of these complications may be due to long-term toxicity of therapeutic agents. If this is true, it will result in drastic changes in treatment and have important practical implications.

Measles is a severe and sometimes fatal complication of CF. In an effort to protect CF patients, the advisability of giving them live measles virus vaccine was tested earlier by NIAMD clinicians, in cooperation with the Division of Biologics Standards, and more recently by grantees of the National Institute of Allergy and Infectious Diseases. The reactions in most CF patients tested were acceptable, but the degree of protection conferred remains to be precisely determined.

These and other developments in diagnosis and therapy are being transmitted promptly to practicing physicians and research workers throughout the country. One particularly effective means of communication has been a comprehensive scientific exhibit on cystic fibrosis specially prepared by the NIAMD. This exhibit, along with detailed, practical literature concerning the most recent and effective forms of diagnosis and therapy, has been brought to the attention of thousands of physicians at medical meetings and conferences all over the United States.

An important adjunct to laboratory research in cystic fibrosis is a pilot survey financed by a research contract from the National Institute of Allergy and Infectious Diseases and conducted by the Children's Bureau with the cooperation of the National Center for Health Statistics. This survey is designed to provide an index to the size of the CF problem on which to project future research efforts.

In the area surveyed, Massachusetts, New Hampshire, and Vermont, a total of 621 patients with cystic fibrosis received medical care at some time during the 8-year period of 1952 through 1959. The annual number of recognized

cases increased about 57 percent, essentially because of improved diagnostic procedures. The annual caseload of the disease, among children under 18 years of age, rose from about 12 per 100,000 population in 1952 to 22 per 100,000 population in 1958. During a 7-year period, the number of patients with cystic fibrosis doubled in the age group under 5, tripled in the age group 5 to 9 years, and quadrupled in the group 10 years and older.

The figures are encouraging inasmuch as they show that early diagnosis and improved treatment are allowing children with cystic fibrosis to live far longer than in the past. A preliminary rough estimate of the incidence of diagnosed cases in the pilot area is only 42 per 100,000 live births or 1 per 2,300 live births. Although this is a lower estimate than that usually given for the population in general, it excludes stillborn babies and diagnosed cases in newborns who died before leaving the hospital, and only counts patients under the medical supervision of either the pediatrician or clinic contacted by the survey.

The genetic character of CF makes the disease particularly pernicious. As advances in therapy make it possible for fibrocystic patients to reach the reproductive age, the "load" of CF traits in the genetic pool of the population will increase. If the basic genetic defect in cystic fibrosis and a method of correcting it permanently are not discovered, an ever-increasing sector of the population may find itself heir to the gene. It is this characteristic which makes effective research on cystic fibrosis an obligation to future generations.

WORKLOAD ADDED BY RECENT LEGISLATION

FOOD AND DRUG ADMINISTRATION

RECENT LEGISLATION HAVING SIGNIFICANT WORKLOAD IMPACT

Legislation passed during the 84th, 85th, 86th, and 87th Congresses having a significant impact on the Food and Drug Administration workload includes—

Food Additives Amendment of 1958 (Public Law 85-929; enacted September 6, 1958). This act is designed to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety.

Federal Hazardous Substances Labeling Act (Public Law 86-613; enacted July 12, 1960). The purposes of this act is to regulate the interstate distribution and sale of packages of hazardous substances intended or suitable for household use.

Color Additive Amendments of 1960 (Public Law 86-618; enacted July 12, 1960). These new amendments are designed to protect the public health by amending the Federal Food, Drug, and Cosmetic Act in order to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used.

Drug Amendments of 1962 (Public Law 87-781; enacted October 10, 1962). These amendments are intended to protect the public health by assuring the safety, effectiveness, and reliability of drugs; authorizing standardization of drug names; and clarifying and strengthening existing inspection authority.

OFFICE OF EDUCATION

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Legislative Item	Public Law No.	Date effective	Workload impact
84th Cong., amendments to school assistance and payments to school districts.	204 221 382 886 949 85-620 87-344	Aug. 1, 1955 Aug. 4, 1955 Aug. 12, 1955 Aug. 1, 1956 Aug. 4, 1956 Aug. 12, 1958 Oct. 3, 1961	Authorizes assistance to local educational agencies for the construction of school facilities in areas affected by Federal activities and to school districts which provide free public education for federally convicted children. Included Indian children under Public Laws 874 and 815. Broadening of eligibility requirements.
84th Cong., Library Services Act amendment to extend Library Services Act.	507 { 86-679	June 19, 1956 Aug. 30, 1960	(Grant program for 50 States and other jurisdictions work for all grants to States programs includes: 1. Advising States of programs and developments in field. 2. Preparing standards and regulations. 3. Reviewing and approving State plans. 4. Preparing allotments and making payments to States. 5. Maintaining records and preparing reports.
Practical nurse training (vocational education) Practical Nurse Training Extension Act of 1961	911 87-22	Aug. 2, 1956 Apr. 24, 1961	(Grant program for 50 States and other jurisdictions. 8 broad and varied programs: Student loan program with approximately 1,520 institutions of higher education participating; grants to States program for 50 States and other jurisdictions for strengthening science, mathematics, and foreign language instruction and loan program to nonprofit private elementary and secondary schools for same purpose; graduate fellowships in new or expanded programs, 1,500 new awards to be made in 1964 and 2,588 24 and 34-year fellows; grant programs to States and other jurisdictions for guidance, counseling, and testing; institute program for guidance and counseling personnel; 60 institutes to be held with 1,800 participants in 1964. Advanced training program in foreign areas and languages with 55 language and area centers to be supported in 1964, 1,195 language fellowships awarded and institute program for foreign language elementary and secondary teachers with 83 institutes and 4,520 participants in 1964. Grant and contract program in educational media research, 300 proposals to be received and 70 awards to be made in 1964. Grant program to 50 States and other jurisdictions for area vocational programs; grant programs to 50 States and other jurisdictions for statistical services.
National Defense Education Act Amendment to extend National Defense Education Act.	85-864 87-344	Sept. 2, 1958 Oct. 3, 1961	176 feature captioned films and 57 educational captioned films in circulation. Additional 10 feature films and 10 educational films in proposed supplemental. During 1964, 40 additional feature films and 44 new educational films to be captioned. Deaf persons in 48 States and the District of Columbia use these films.
Captioned films for the deaf.	85-905	Sept. 2, 1958	8 research projects and 4 training projects in fiscal year 1961. Each year, approximately 168 fellowships are awarded; 100 to State educational agencies and 68 to higher education institutions.
Amendment to expand captioned films for the deaf. Expansion of teaching in education of the deaf.	87-715 85-926	Sept. 28, 1962 Sept. 6, 1958	Grants are made to approximately 35 participating institutions. In 1963, 450 scholarships and fellowships will be awarded.
Area Redevelopment Act Manpower Development and Training Act of 1962.	87-27 87-415	May 1, 1961 Mar. 15, 1962	It is estimated that during fiscal year 1964, 47 States will participate in 300 to 350 training courses. It is estimated that during fiscal year 1961 there will be 2,500 project approvals for training courses. 50 States, the District of Columbia, and Puerto Rico will participate in a variety of training programs.
Amendment to Communications Act of 1934.	87-447	May 1, 1962	In 1963 it is estimated that 9 grants will be made for the construction of new facilities and 3 for expansion of existing facilities. In 1964 approximately 27 additional grants will be made for new facilities, and 18 for expansion of existing facilities.

VOCATIONAL REHABILITATION ADMINISTRATION

Legislation passed during the 84th, 85th, 86th, and 87th Congs. which added significantly to workload

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
84TH CONG., 1ST SESS.—2D SESS. 1. Social Security Amendments of 1956	84-880	(?)	The disability provisions of the Social Security Amendments of 1956 provided for cash benefits for disabled workers age 50 and over and to disabled children age 13 and over. In all but 5 States, the vocational rehabilitation agencies act as agents of the Bureau of OASI in making the disability determination on applicants for cash disability benefits. These provisions stipulate that every applicant must be referred for necessary rehabilitation services, and the State agencies have had to organize to handle the tremendous task of reviewing and assessing the rehabilitation potential of the OASI applicants referred. Between 400,000-450,000 of OASI referrals are processed annually. These consist primarily of the severely handicapped cases which are difficult and costly to rehabilitate. This has constituted a stable workload item for our staff and will continue at the rate noted above.
2. National Health Survey Act	84-652	July 3, 1956	This act provides for continuing survey and special studies of sickness and disability in the United States. VRA staff will continue to work with the staff of the national health survey in the Public Health Service development of plans and criteria for collection of data, its tabulation and publication, in an attempt to assure that the survey will produce information which is needed for more realistic planning in relation to the vocational rehabilitation program.
85TH CONG., (1ST SESS.—2D SESS.) 1. White House Conference on Aging Act	85-908	Sept. 2, 1958	The White House Conference on Aging was held in January 1961. Although the major impact on workload for its preparation came in fiscal years 1963 and 1964, the current workload impact comes in VRA activities following through on the recommendations of the Conference and giving an increasing emphasis to the rehabilitation of older disabled citizens.
86TH CONG., (1ST SESS.—2D SESS.) 1. Social Security Amendments of 1960	86-778	Nov. 1, 1960	The elimination of the requirement of age 50 for disability insurance beneficiaries is having an impact on the Federal-State vocational rehabilitation program. There has been an increase in the numbers applying for disability benefits, both in the under-age-50 and over-age-50 groups. This means an increase in workload both as to the determination of disability and the assessment of rehabilitation potential.
2. Implementation of sec. 104(k) of Public Law 480, the Agricultural Trade Development and Assistance Act and the International Health Research Act of 1960.	86-108 86-341 84-480 85-477 86-610	(?)	The international rehabilitation research program involving research and related scientific activities in rehabilitation overseas was initiated in fiscal year 1941, supported by funds which were allocated to vocational rehabilitation from foreign currencies derived from the sale of surplus agricultural commodities under Public Law 480. By the end of fiscal year 1963, a total of 63 projects will have been initiated in the 10 countries participating in the program. The International Health Research Act of 1953 provides, among other things for the interchange of rehabilitation experts between the United States and cooperating countries. By the close of fiscal year 1963, 55 such interchanges will have been made. The implementation and operation of these programs has added considerable workload on an increasing scale.

1. Manpower Development and Training Act of 1962.

87-415 Mar. 15, 1962

With passage of the Manpower Development and Training Act of 1962, continuing efforts have been made by VRA to gain acceptance of handicapped people into the vocational training courses authorized under this act. Staff work-load will continue to increase because of the need for: (1) intensified liaison activities with the Department of Labor, and the Division of Vocational Education and Office of Manpower Training in this Department; (2) interagency planning for cooperative projects designed to show the value of providing MD/TA benefits to individuals with a disability which constitutes a vocational handicap; and (3) appropriate followup to see if a reasonable proportion of State vocational rehabilitation agency clients is being selected for the MD/TA training programs.

Prevention and rehabilitation are the basic aims in the extensive Public Welfare Amendments of 1962. Achievements of these objectives necessitates a stepped-up program of services by the Federal-State vocational rehabilitation program in cooperation with welfare departments in order to restore to employment as many as possible of the large number of disabled persons who receive public assistance.

The amendments further contain specific provisions for new working and financial arrangements between the vocational rehabilitation and welfare programs in States. Working with the Bureau of Family Services in development of policies and plans to guide States in implementing these amendments means a sizable additional workload in VRA.

87-543 July 25, 1962

2. Public Welfare Amendments of 1962.

¹ The Vocational Rehabilitation Amendments of 1954, Public Law 565, 83d Cong., provided the basis of launching a major program of expansion in inaugurating a 3-part grant structure, making grants available for (1) the support of basic State-vocational rehabilitation services, (2) extension and improvement of these services, and (3) support of research, demonstration, and training.

² After Dec. 31, 1956.

³ See Narrative under "Work-load impact."

PUBLIC HEALTH SERVICE

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
84TH CONG. 1st sess.			
To provide research and technical assistance relating to air pollution control.	159	July 14, 1955	Legislation extended by Public Law 87-761 approved Oct. 9, 1962. Workload impact reported under that act.
Mental Health Study Act of 1955.	182	July 28, 1955	
Pollomyelitis Vaccination Assistance Act of 1955.	377	Aug. 12, 1955	
2d sess.			
Dependents' Medical Care Act.	569	Dec. 7, 1956	Added a new reimbursable beneficiary class; it is expected that in 1964 an average daily inpatient load of 199 dependents will be cared for, requiring 357 employees and a total cost of \$2,686,000. These dependents are eligible for care on an outpatient basis without reimbursement; it is expected that in 1964 there will be 200,000 outpatient visits, requiring 192 employees and a total cost of \$1,400,000. An average daily patient load of 195 dependents, including retired personnel, is cared for in Federal uniformed service and non-Federal contract hospitals at an estimated cost in 1964 of \$327,000.
National Health Survey Act.	652	July 3, 1956	Authorized activities that will require, in 1963, 91 man-years and \$2,770,000. General administration, electronic data processing, and publication costs associated with the program are estimated to cost an additional \$250,000. The health interview survey is expected to reach a sample of approximately 42,000 households. Field activities were completed on the 1st cycle of the health examination survey in December 1962. Between July and December 1,209 examinations were conducted. Work is currently in progress to remodel the mobile examination units and conduct several pretests leading to a national sample of children between the ages of 6 and 11 years. In the health records survey a master facility list of 40,000 resident institutions and hospitals reached completion, and data are now being compiled on a sample of about 5,000 resident places providing nursing and personal care. For the program as a whole, approximately 15 statistical publications will be issued in 1963 as compared with 12 during fiscal year 1962. Throughout the end of fiscal year 1962 a total of 42 publications had been issued under the authority of the act.
Federal Water Pollution Control Act.	660	July 9, 1956	Amended by the Federal Water Pollution Control Act Amendments of 1961. Workload impact reported under that act.
Alaska Mental Health Enabling Act.	830	July 28, 1956	A 9-member team of specialists conducted a comprehensive survey of construction needs in Alaska in 1956. Frequent consultative visits have been made in connection with the program. 9 payments (\$2,400,000) were made to Alaska as program grants. Effective July 1, 1959, the administration of this grant was assumed by the Office of the President. PHS administers the \$6,500,000 construction program authorized by Public Law 87-838.
Health Research Facilities Act of 1956.	885	July 30, 1959	See statement on that law, below.
Health Amendments Act of 1956.	911	July 1, 1956	Special project grants are provided to assist in the development of improved methods of care and treatment in the field of mental health—\$38,971,000 has been appropriated for this purpose through 1963.
			Public Law 86-105 extended traineeship provisions of this act and workload data are shown there.

In 1963 this institution will acquire 85,000 medical publications; catalog 18,000 titles; bind and repair 19,000 volumes; answer 12,000 inquiries; fill 183,000 loan requests; photograph 2,592,000 pages for orders and 800,000 for preservation; and index 150,000 journal articles.

85TH CONG.

(1st sess.)

3d Supplemental Appropriation Act, 1957 (amends sec. 364, pt. G, title III, of the Public Health Service Act).

85-58 July 21, 1957

Required substantial amount of stafftime in establishing overtime payment policy and preparing related instructions and forms. Entails substantial amount of work in arranging with carriers for overtime services, and additional work in processing bills; a total of 16,373 overtime inspections were made in fiscal year 1962.

85-151 Aug. 16, 1957

Projects have been approved with 14 community hospitals under this program providing for 107 beds for Indian use costing \$2,226,000.

To authorize funds available for construction of Indian health facilities to be used to assist in the construction of community hospitals which will serve Indians and non-Indians.

85-316 Sept. 11, 1957

To amend the Immigration and Nationality Act, and for other purposes. (Amended by Public Law 86-253.)

2d sess.

To amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

85-477 June 30, 1958

Authorized the use of certain U S-owned foreign currencies for medical research projects in foreign countries. \$3,707,000 was appropriated in 1961; \$9,000,000 in 1962; and \$2,800,000 in 1963. The estimate for 1964 is \$6,647,000.

To amend sec. 314(c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for provision in public or non-profit accredited schools of public health of training and services in the fields of public health and in the administration of State and local public health programs.

85-544 July 22, 1958

Sec. 2 of the act which limits the period of authorization has been repealed by Public Law 86-720 which makes the legislation permanent. 12 schools will receive grants totaling \$1,900,000 in 1963.

For the relief of certain distressed aliens (nationals of Netherlands in Indonesia and of Portugal in the Azores).

85-892 Sept. 2, 1958 to June 30, 1960

Under this legislation 7,964 medical examinations were given in 1960.

(86TH CONG.)

(1st sess.)

To extend certain traineeship provisions of the Health Amendments Act of 1956.

86-105 July 23, 1959

About 8,800 nurse traineeships, 1,800 long-term and 7,000 short-term; and 2,400 public health traineeships, 1,100 long-term and 1,300 short-term; will be awarded in 1963.

86-121 July 31, 1959

Authorizes the provision of Indian sanitation facilities. Involves a cooperative program with the Indians. On the basis of a fully developed activity it is estimated that 95 man-years annually (primarily sanitary engineering and supporting sanitation staff) will be required.

86-363 Sept. 22, 1959

To provide for entry of certain relatives of U.S. citizens and lawfully resident aliens.

86-365 Sept. 22, 1959

Under this legislation 640 physical and mental examinations were given in 1962.

Legislation extended by Public Law 87-761 approved Oct. 9, 1962. Workload impact reported under that act.

PUBLIC HEALTH SERVICE—Continued

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
(24 sess.)			
To authorize and direct the Surgeon General of the PHS to make a study and report to Congress, from the standpoint of the public health, of the discharge of substances into the atmosphere from the exhausts of motor vehicles.	86-493	June 8, 1960	The Surgeon General's report to Congress, "Motor Vehicles, Air Pollution, and Health," was submitted in June 1962.
To provide for international cooperation in health research, research training, and research planning.	86-610	July 12, 1960	Reaffirms and specifies the present implied authorities of the Surgeon General for the support of health research and research training in foreign countries.
To enable the United States to participate in the resettlement of certain refugees.	86-648	June 14, 1960	13,603 medical examinations were performed in the European area through 1962.
To amend title III of the Public Health Service Act, to authorize project grants for graduate training in public health, and for other purposes.	86-720	July 1-1962 to Sept. 8, 1960	2 new and 83 renewal grants totaling \$2,000,000 will be awarded in 1963.
To amend title V of Agricultural Act of 1949 as amended to extend period of admission on temporary basis of Mexican nationals for farm labor purposes.	86-783	July 1, 1961 to Dec. 31-1961	Amended by Public Law 87-345. See statement on that law, below.
To amend the Public Health Service Act to authorize grants-in-aid to universities, hospitals, laboratories, and other public and nonprofit institutions to strengthen their programs of research and research training in sciences related to health.	86-798	Sept. 15, 1960	This program of general research support grants was implemented in 1962 with \$20,000,000; \$30,000,000 has been allocated for 1963 and 1964. Administration requires about 8 man-years and \$60,000 annually.
87TH CONG. (1st sess.)			
Federal Water Pollution Control Act Amendments of 1961.	87-88	July 20, 1961	Increased the Federal Government's responsibilities and gave greater urgency to the joint Federal-State programs in water pollution control. As of 1963, activity has increased to \$124,851,000 including \$5,000,000 for grants to States and interstate agencies, \$90,000,000 for waste treatment construction grants and \$10,200,000 for site acquisition and planning of 5 field facilities. The major elements of the program are as follows:

BASIC DATA

National water quality network sampling for year ending Sept. 30, 1962

	Chemical quality	Microbiology ^a	Purpose of sample		Indicological activity	Total
			Plankton population	Organic chemicals		
Samples taken.....	3,400	3,400	2,500	900	4,700	15,400
Determinations made.....	63,500	10,100	52,900	14,200	19,200	159,900

^a These values were included with chemical quality determinations in previous tables.

Note.—Water quality sampling stations as of Dec. 31, 1962, 124; sampling stations required, 300.

The basic data program was a new authorization to the Surgeon General to develop and make available data to enable water supply and pollution authorities, and others concerned, to understand more adequately the scope and character of the problems they face, and more wisely to carry out their responsibilities. A water quality sampling network initiated in 1957 now has 124 of a planned 300 stations supplying regular samples for laboratory analysis by FHS and cooperating laboratories.

CONSTRUCTION GRANTS

Workload data—Construction Grants Administration

Number of—	1957-58					1962	1963*
	1957-58	1959	1960	1961	1962		
Construction starts	656	501	556	577	604	800	800
Plants completed	119	416	436	540	498	465	465
Grant offers	1,038	545	573	500	758	900	900
Plans reviewed	742	558	565	580	760	800	800
Payment inspections	510	1,200	1,200	1,300	1,500	1,800	1,800

* Estimate.

Appropriations for grants to aid in the construction of municipal sewage treatment facilities totaled \$80,000,000 in fiscal year 1962 and \$90,000,000 for fiscal year 1963. The amended legislation authorizes appropriations of \$100,000,000 annually for fiscal years 1964-67. New programs responsibilities are multiple-sponsor projects, reallocation of funds, Federal impact grants, and application of wage rate legislation.

See foot notes at end of table.

PUBLIC HEALTH SERVICE—Continued

Legislative item (descriptive title)	Public Law No.	Date effective	Workload impact
			ENFORCEMENT Public Law 660 (84th Cong.) as amended by Public Law 87-88 provides for Federal action to enforce abatement of pollution of interstate and navigable waters. Under the provisions of the act, approximately 2,000 interstate bodies have been identified potentially as pollution areas. 19 formal conferences have been held and 4 public hearings. 3 of the hearings resulted from the failure of some of the polluters to comply with conference recommendations. In 1 case the U.S. district court issued an order to the city of St. Joseph, Mo., containing a schedule of remedial action and requiring the city to report to the court on its progress. Conferences during the past year were held on the pollution of interstate waters on the Androscoggin, Escambia, and Mississippi (Clinton, Iowa, area) Rivers. During the year, the voters approved a \$85,000,000 bond issue to install adequate treatment in the St. Louis, Mo. area. Several sessions of pending conferences were held among which were on the Colorado and North Fork of the Holston Rivers. Now in progress as a result of enforcement action are 4 major investigatory projects to secure data necessary to determine the remedial action required to abate pollution of the Colorado and Detroit Rivers, Puget Sound, and Raritan Bay. A program to abate and control pollution from Federal installations is now a fact. Plans anticipate a preventive as well as a corrective program. RESEARCH Water supply and pollution control research projects: Enactment of Public Law 87-88 continued the broad research authorization that was contained in Public Law 660, 84th Cong. Public Law 87-88 in addition directed research on new methods for maximum removal of wastes from water, methods for identifying and evaluating contaminants including those created by new technological developments, and methods and procedures for evaluating the effects on water quality and water uses of augmented streamflows to control water pollution not susceptible to other means of abatement. Appropriation of up to \$5,000,000 in any year, not to exceed an aggregate of \$25,000,000 was authorized for this directed research. Technical services and comprehensive programs: The technical services and related activities carried out under Public Law 660 provided to regional installations, States, and communities are concerned with (1) consultant services on problems such as methods, waste treatment, (2) the control of field investigations on problems such as effects of pesticides, the effect of recreation activities on water quality, (3) the control of water quality, (4) investigations, and the provision of assistance on scientific, engineering, economic, and administrative problems, and (4) administration of annual Federal grants of \$5,000,000 to State and interstate water pollution control agencies to improve and extend their programs. Comprehensive programs are founded on basinwide studies of water requirements for all purposes and studies of pollution control problems, including those that will result from the anticipated uses of water. There is also consideration of streamflow augmentation to dilute pollution not otherwise susceptible to control and development of recommendations on water storage requirements for this purpose in reservoirs constructed by Federal agencies both in our comprehensive programs and areas where such programs are not yet underway. Major studies are now underway on the Great Lakes, Illinois River Basin, the Columbia River Basin, the Chesapeake Bay-Susquehanna River Basin, the Delaware estuary, the upper Ohio River Basin, and will soon be completed on the Arkansas-Red River Basin.

The Federal Water Pollution Control Act authorized the award of grants-in-aid for research, training, and demonstration projects and for research fellowships. The 1961 amendments provided for at least 7 field laboratories and research facilities. Site acquisition and planning has begun on 5 of these facilities.

Continued until Dec. 31, 1963, the medical examination program carried on since 1951 by the Division of Foreign Quarantine for the Department of Labor. During 1963 an estimated 225,000 medical examinations will be performed.

Increased grant authorizations under sec. 314(c) of the Public Health Service Act. Authorized special project grants for improving community health services; in 1962, 194 applications were received, and 44 were approved. Increased grant authorization for construction of nursing homes. Amended authorization for research under sec. 636 of the act. Extended and increased authorization for grants for construction of health research facilities. Entails substantially increased management and consultative workload at headquarters and in the regional offices to provide sound management and operation of the expanded programs.

Authorizes grants to public and other nonprofit agencies to pay part of the cost of establishing and operating family health service clinics and special projects to improve health conditions of domestic agricultural migratory workers and their families. In 1963, the 1st year of the program, approximately 50 grants will be made and in 1964 an additional 40 to 50 grants will be processed.

Legislation extended the Air Pollution Control Act through June 30, 1966, and authorized grants-in-aid for survey and studies in addition to grants for research, training, and demonstrations. The program conducts and supports various research projects, using its own facilities, those of other Federal agencies and other public and private research organizations. The national air sampling over 3,200 persons have participated in technical training courses provided by the States at the Sanitary Engineering Center in Cincinnati, Ohio, and at other locations.

Authorizes creation of a National Institute of Child Health and Human Development and a National Institute of General Medical Sciences and related advisory councils; extends for 3 additional years (through June 1966) the health research facilities program.

Authorizes grants to be used to pay a portion of the cost of intensive community vaccination programs against poliomyelitis, diphtheria, whooping cough, and tetanus. In 1963, the 1st year of the program, \$12,100,000 will be needed to provide primarily for the purchase of vaccines to immunize approximately 1/2 of the presently unvaccinated children under the age of 5 years and \$900,000 to provide the necessary central leadership and support for the coordinated nationwide campaign.

87-345 Oct. 3, 1961

87-395 Oct. 5, 1961

87-692 Sept. 25, 1962

87-761 Oct. 9, 1962

87-838 Oct. 17, 1962

87-868 Oct. 23, 1962

To amend title V of the Agricultural Act of 1949-----
Community Health Services and Facilities Act of 1961.

(2d sess.)

To amend title III of the Public Health Service Act to authorize grants for family clinics for domestic agricultural migratory workers, and for other purposes.
To provide research and technical assistance relating to air pollution control.

To amend title IV of the Public Health Service Act--

To assist States and communities to carry out intensive vaccination programs designed to protect their populations, particularly all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus.

1 Grants for mental health program effective July 1, 1957.

SOCIAL SECURITY ADMINISTRATION
LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE—RECENT LEGISLATION HAVING
SIGNIFICANT WORKLOAD IMPACT

Legislative item (descriptive title)	Public Law No.	Date enacted	Workload impact
86th Cong. (2d sess.): Social Security Act Amendments.	86-778	Sept. 13, 1960	1. Disability insurance benefits are payable under the amended law to disabled workers under age 50 and their dependents on same basis as previously payable to disabled workers age 50 to 65 and their dependents. In fiscal year 1961 about 94,000 disabled workers formerly in a "freeze" status were made eligible for monthly benefits. The continuing effect of this legislation is a substantially higher DIB claims load. 2. New retirement test provides for withholding \$1 in benefits for each \$2 of earnings between \$1,200 and \$1,500, and \$1 in benefits for each \$1 of earnings above \$1,500. This revision has increased the number of claims filed because it permits higher earnings while in benefit status. 3. The 1960 amendments revised the qualifying requirements for an insured status. The worker needs only 1 quarter of coverage for every 3 calendar quarters elapsing after 1950 instead of 1 quarter for every 2 elapsed quarters under the old law. About 150,000 claims were filed in fiscal year 1961 as a result of this change. 4. The increase of monthly benefits of each child of a deceased worker required the Bureau to convert approximately 400,000 children's benefits from the old payment to the new benefit amount. Checks issued on Jan. 3, 1961, reflected the new benefit amounts.
87th Cong. (1st sess.): Social Security Act Amendments.	87-64	June 30, 1961	1. The 1961 amendments reduced the age at which men are first eligible for old-age and survivors insurance benefits from 65 to 62 with benefits for those who claim them before 65 reduced to balance the longer period over which they will receive benefits. About 600,000 old-age applications were received in fiscal year 1962 from men age 62-64 and their dependents as a result of this change. 2. The qualifying requirements for insured status were revised from 1 out of 3 to 1 quarter of coverage for every 4 calendar quarters elapsing after 1950. 3. The retirement test was revised to provide withholding of \$1 in benefits for each \$2 in earnings between \$1,200 and \$1,700 and \$1 in benefits for each \$1 of earnings above \$1,700. The new and more complicated retirement test also requires added steps in processing claims from workers in an employed status, in administering deductions from benefits because of earnings, and in explaining the effect of the test on individual beneficiaries and other inquirers at Bureau offices. 4. The monthly benefit amount for aged widows was increased from 75 percent of the primary insurance amount to 82½ percent. A similar increase was provided for widower's and sole surviving parents. The benefit amounts for 1,253,000 current beneficiaries were increased in August 1961 as a result of this change. 5. The minimum benefit payable to a worker retiring at age 65 or later, to a disabled worker, or to a sole survivor was increased from \$33 to \$40 with corresponding increases to the dependents of the insured worker. The benefit amounts for 2,005,000 beneficiaries were increased in August 1961 as a result of this change. 6. The time within which disabled workers can apply for disability benefits and have the beginning of the period of disability (for insured status and compensation purposes) established as far back as the date of actual onset was extended to June 30, 1962.

OFFICE OF THE COMMISSIONER

RECENT LEGISLATION HAVING SIGNIFICANT WORKLOAD IMPACT

The items listed by the Bureau of Family Services and the Children's Bureau (attached) pertaining to legislation passed during the 84th, 85th, 86th, and 87th Congresses in most instances added significantly to the workload of the Office of the Commissioner. New and expanded areas of coverage under the Social Security Act during these sessions of Congress have increased the number of rules and regulations that have to be established and program policy and procedural determinations that have to be made. They have made more complex and time consuming the work of reviewing and coordinating program activities and have increased the number of studies and analyses necessary to provide information upon which to base sound policy and program decisions.

Bureau of Family Services

Legislative item (descriptive title)	Public Law No.	Date approved	Workload impact
86TH CONG. (2d sess.) Social Security Amendments of 1960 These amendments: (1) authorized a new Federal-State program of medical assistance for the aged for persons 65 years of age and over not receiving old-age assistance, but whose income and resources are not sufficient to meet their medical expenses; (2) increased Federal financial participation in payments made by States to suppliers of medical care to recipients of old-age assistance in order to assist States to improve existing medical care provisions or establish new ones; (3) directed the Department to develop medical care guides and standards, obtain information from States and publish reports on the level, content, and quality of medical care and services furnished recipients of public assistance and medical assistance for the aged. (2d sess.) An act providing for hospitalization and services for repatriated mentally ill U.S. Nationals. Additional legislation pertaining to assistance for repatriates (the destitute, sick, etc.) was enacted by the 87th Cong. and is discussed below. The program provided for by Public Law 86-571 and that enacted by the 87th Cong. are being administered as nearly as possible as 1 program. 87TH CONG. (1st sess.) Assistance for repatriated U.S. citizens (other than the mentally ill).	86-778 86-571 87-64	Sept. 13, 1960 July 5, 1960 June 30, 1961	Required issuance of policy material for use of States in formulating State plan material to implement these amendments. Additional policy materials continue to be required to reflect operating experience and other refinements as program changes have progressed. Development of guides and standards called for by the amendments to help States in administering the many medical aspects of public assistance is continuous. These materials relate to many areas of responsibility such as eligibility, staff development, administrative and fiscal management, statistical and research activities, counseling and other technical assistance to State agencies continue to be required methods of carrying out the amendments. The amendments required submission of plan material by the States and action by the States and action by the Bureau on the material submitted. General consultative services and advice on conformity of State programs with Federal requirements is a continuing responsibility. Functions such as providing information, answering inquiries, making grants, and obtaining and compiling program data were greatly expanded by the amendments. The statistical reporting area, including the related program analysis work, is another significant activity that was considerably expanded. The administrative review of actual State and local practice under the new program elements is also required. The impact on Bureau workload for both types of repatriation activities is covered under the legislation enacted by the 87th Cong. Policies and procedures had to be developed for operations under the several types of repatriation activities. A large segment of the program under sec. 1113 of the Social Security Act relates to U.S. citizens who have returned from Cuba. Internal Bureau and regional office procedures were necessary. These materials continue to need refinements—especially in relation to individual case problems that have arisen.

Maintenance of standby plans and procedures for reception in this country and temporary assistance as required by U.S. citizen noncombatant evacuees from foreign countries in event of international crises is a continuous process. These plans must be coordinated with the overall worldwide plans for the protection of U.S. citizens as developed and maintained by the Department of State, Washington Liaison Group, with the collateral plans of the Army, Navy, and Air Force, and with pertinent parts of nationwide civil defense plans for emergency operations.

As with other amendments, implementation of these amendments increase workload in all Bureau activities. Policies and standards applicable to the amendments were required on many aspects of public assistance administration. These need continuing review and issuance of additional materials as operating experience is gained. State plan materials must be approved for States operating the program. Areas such as the administrative review of State and local operations, making grants, answering inquiries and providing information, and statistical reporting are all increased.

Implementation of these amendments requires a great deal of work at the Federal, State, and local levels to achieve maximum results in helping dependent people to become more self-reliant and in eliminating abuses that may have crept into the public assistance programs. The Bureau is responsible for the development of policy and operating procedures, provision of day-to-day assistance, and provision of the stimulation and guidance and other kinds of assistance necessary for these completely new measures—and opportunities—that now exist for improving public welfare.

Only the most basic policies essential for States to begin developing plan material have been issued, and these are not yet completed. Many additional policies and standards and guide materials must be developed by the Bureau for most of the amendments.

Special work projects have been identified, and work has commenced in a number of areas. But only the most limited start has been made. Work underway should be accelerated; new developmental work should commence on many other facets of the legislation. The bulk of the continuing day-to-day work resulting from the amendments will start as States begin to submit plan material and initiate operations of the new amendments—e.g., during the 1st half of calendar year 1963, most State legislatures meet in regular session and considerable legislation will be enacted to permit implementation of the 1962 amendments.

Amendments to title IV (Aid to Dependent Children)¹ of the Social Security Act and other provisions.

Major elements of these amendments were (1) an extension of the program of Aid to Dependent Children to enable the States to assist children who are in need because of unemployment of a parent; (2) Federal participation for children receiving aid to dependent children who are placed in foster family homes as a result of court action; and (3) an increase in Federal matching in old-age assistance vendor medical payments.

(2d sess.)

Public Welfare Amendments of 1962.....

This legislation, which embraces some 14 substantial and diversified amendments to the public assistance programs, is generally hailed as a major breakthrough in public welfare. The President said in approving the amendments: "The new legislation marks a real turning point in the Nation's effort to cope realistically and helpfully with pressing welfare problems." In general, the new legislation makes available more Federal funds for rehabilitation of recipients and for the training of caseworkers in the skills and services that will help free families from reliance on public assistance. Federal contributions are authorized to community work and training projects; useful new incentives for jobseeking by those capable of work are provided. Special protection is provided against abuses in money management that have discredited the dependent children's program. These amendments express the congressional conviction that public assistance can and will do more to rehabilitate dependent individuals and to lessen or prevent continuing dependency.

¹ Renamed "Aid to Families with Dependent Children."

87-31 May 8, 1961

87-543 July 25, 1962

Children's Bureau

Legislative item (descriptive title)	Public Law No.	Date enacted	Workload impact
85TH CONG. (2d sess.) Social Security Amendments of 1958..... Major elements of these amendments which affect the workload of the Children's Bureau are (1) extension of child welfare services to urban children; (2) provision for variable matching of Federal child welfare funds and a new grant formula; (3) provision for allotment of unemployment funds; and (4) establishment of a Child Welfare Advisory Council to study and report on the child welfare program. 86TH CONG. (2d sess.) Social Security Amendments of 1960..... The major elements of these amendments which affect the workload of the Children's Bureau are (1) the addition of a new program of grants for research or demonstration projects in child welfare and (2) extension of special project grants under the maternal and child health and crippled children's programs to institutions of higher learning. International Health Research Act of 1960 (and implementation of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954). The major elements involved were those relating to research and training activities overseas supported by funds allocated from the sale of surplus agricultural commodities under Public Law 480. 87TH CONG. (1st sess.) Juvenile Delinquency and Youth Offenses Control Act of 1961. The major element of this law which affects the workload of the Children's Bureau is the provision of technical assistance.	840 778 610 274	Aug. 28, 1958 Sept. 13, 1960 July 12, 1960 Sept. 22, 1961	As a result of these changes and provisions it was necessary for the Bureau to revise child welfare grant regulations, policies and procedures. In addition, application of the new grant formula and reallocation provisions increased work required in computing and making grants to States. It was necessary to furnish the secretariat, and staff assistance of regular personnel, for the Advisory Council for the year it was in existence. As a result of these changes and provisions, added staff was required to process and control applications and grants, perform technical program review of project proposals, maintain liaison with technical advisers, make onsite visits and perform the initial task of developing forms procedures, regulations, instructions, etc., for administering the program. This program was put into operation in 1962 and it was necessary to formulate plans, in coordination with those of other units in the Department. No additional funds for administration or for assistance in carrying out the program have been provided. A supplemental appropriation was enacted which provided funds for this program for the 1962 fiscal year. Under it, funds were made available to the Children's Bureau for expanding its technical assistance services through the addition of 14 positions.

(24 sess.)

Public Welfare Amendments of 1962

The major elements of these amendments which affect the workload of the Children's Bureau are: (1) addition of a number of specific conditions of State child welfare plan approval, including 1 requiring that the States show, beginning July 1, 1963, progress toward achieving statewide coverage of child welfare services by July 1, 1975; (2) provision that a portion of the Federal child welfare grant appropriations is to be earmarked for day care services, effective for the fiscal year 1963 and thereafter, and specific requirements with respect to day care services provided under the State child welfare plan; and (3) authorized grants to institutions of higher learning for training projects in the field of child welfare.

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July 25, 1962

The new child welfare amendments will substantially increase the program, research, fiscal, and clerical workload of the Bureau. To give effect to these amendments, it will be necessary to develop guide and policy material, to evaluate State plans and training project proposals prior to approval, to provide technical program and research assistance to the States, and to establish and carry out fiscal and program reporting and post approval evaluation procedures to assure that the States are carrying out the intent of Congress in relation to these amendments.

HOWARD UNIVERSITY

Legislative item	Public Law No.	Date effective	Workload impact
87th Cong. (1st sess.): To transfer Freedmen's Hospital to Howard University.	262	Sept. 21, 1961	This law authorizes the transfer of Freedmen's Hospital to Howard University and the construction of a new teaching hospital for the university of not to exceed 500 beds. The transfer is to become effective not later than the beginning of the 2d month which begins after construction of the new hospital facilities is commenced. Although the full workload impact will not be felt until the effective date of the transfer, planning for construction of the new hospital and for the transfer itself is requiring the substantial involvement of teaching and administrative personnel in the college of medicine and of general administrative personnel of the university.
87th Cong. (2d sess.): District of Columbia Unemployment Compensation Act of 1935, as amended Mar. 30, 1962.	424	Apr. 1, 1962	This law removed exemption of institutions of higher education in the District of Columbia from coverage under the District of Columbia Unemployment Compensation Act of 1935. Coverage under the act requires financing of approximately \$125,000 per year during period of application of maximum 2.7 percent rate.

SPECIAL AWARDS AND RECOGNITION

FOOD AND DRUG ADMINISTRATION

SPECIAL AWARDS AND RECOGNITION FOR FDA PERSONNEL—1962

Bureau of Medicine

Dr. Frances O. Kelsey: In connection with her work concerned with the drug thalidomide she was awarded the Distinguished Federal Civilian Service Award by President Kennedy because "her exceptional judgment in evaluating a new drug for safety for human use * * * prevented a major tragedy."

Chosen Woman of the Year by the National Broadcast Division of United Press

International for her work in connection with thalidomide.

Good Housekeeping Award for Distinguished Public Service.

National Federation of Public and Professional Women's Club Award.

AMVETS Auxiliary Woman of the Year Award, 1962.

Parents Magazine Medal.

Woman's Forum on National Security Award.

American Legion Auxiliary.

General Federation of Woman's Club Award.

Michigan Doctors of Chiropractic Merit Award.

Dr. William J. Evans: Received the silver Vicennial Medal at the academic convocation of Georgetown University "in grateful recognition of his loyal and distinguished service, 1942-62."

Bureau of Biological and Physical Sciences

Dr. Arnold J. Lehman: Elected a royal fellow of medicine to the honorary organization, the Royal Society of Medicine, London, England.

Bureau of Field Administration

Mr. George T. Daughters: Director of the Detroit District was cited as the "Outstanding Administrator of the Year, 1961," by the Federal Business Association of Detroit.

Mr. Alfred Barnard: Director of the Kansas City District was runner-up for the Federal Civil Servant of the Year Award sponsored by the Kiwanis Council of Greater Kansas City.

Mr. Andrew M. Allison: Chief chemist of the Kansas City District received the honorary title of Lecturer for the American Chemical Society.

OFFICE OF EDUCATION
Special awards from non-Government sources, 1962

Name of person	Name of award	From whom	Reason for award
Fred F. Beach	Distinguished Service Award	Council of Chief State School Officers	For dedication to education and contribution to State school administration.
Paul E. Blackwood	Certificate of fellowship	American Association for Advancement of Science	Outstanding service rendered the association.
Henry S. Brunner	Citation for distinguished service and honorary life membership.	National Association of College Teachers of Agriculture	In recognition of his leadership and service.
Ken August Brunner	Membership in the National Honorary Technical Institute Society, Tau Alpha Pi.	Gamma Beta Chapter, University of Dayton, Dayton, Ohio.	In recognition of his leadership at the national level in programs of technical institute education.
John L. Cameron	Honorary citizenship of Guam.	Governor of Guam	For assistance in connection with typhoon damage.
Robert E. Ifert	Montgomery County Council Citation.	Montgomery County Council, Maryland.	For 10 years of service on Montgomery County Library Board.
Sinclair Jeter	Doctor of humanities (honorary)	Campbell College, Jackson, Miss.	For service in the field of education and improving standards of financial operations of colleges and universities.
Lloyd K. Johnson	Certificate of fellowship	American Association for Advancement of Science	For outstanding service rendered the association.
Eugene P. McLoone	1962 Federal Executive Fellowship	The Brookings Institution	For undertaking a study of income elasticity of State-local property taxes.
Mrs. Mary J. Michael	American Legion Auxiliary, Pan American Relations.	Chairman, Pan American Relations Committee.	For outstanding service on the committee.
Dr. Wayne O. Reed	Wheatley Award.	University Aviation Association	In recognition of outstanding contributions to aerospace education.
James L. Taylor	Elected president.	National Council on Schoolhouse Construction.	For service and leadership.
Elizabeth S. White	Presiding officer, State Employed Methodist Women.	Virginia Conference, Wesleyan Service Guild, the Methodist Church.	For service and leadership.

VOCATIONAL REHABILITATION ADMINISTRATION
Special awards from non-Government sources, calendar year 1962

Name of person	Name of award	From whom	Reason for award
Mary E. Switzer.....	Doctor of humanities (honorary degree).	Duke University, Durham, N.C.	"As Director of the Office of Vocational Rehabilitation, she has upheld the dignity of underprivileged man both in this Nation and in the world at large. Student and mistress of research, treatment and patient care methodology, she has coupled a compassionate heart with efficient leadership and action to guarantee independence to physically disabled people."
Do.....	Ambrose M. Shotwell Memorial Award.	American Association of Workers for the Blind, Inc.	"For action to liberate humanity from tyranny, especially the tyr- anny of physical disabilities and determination to include blind people in all progress of mankind."
Do.....	Certificate.....	Northern Virginia Association for Retarded Children.	"For unusual efforts in fostering care and understanding for men- tally handicapped children. * * *
Do.....	The Lighthouse Distinguished Service Award.	The New York Association for the Blind.	"* * * growth and development of rehabilitative services for all handicapped persons * * * has always been mindful of the needs of blind persons and has consistently supported expansion and improvement of services for them. * * *
Louis H. Rives, Jr.	Louis Braille Achievement Award.....	Pennsylvania Association for the Blind.	"Outstanding vocational rehabilitation of the blind."
M. Roberta Townsend.....	National Citation of Merit.....	National Association of Sheltered Workshop and Homebound pro-grams.	"Meritorious service to the handicapped."

PUBLIC HEALTH SERVICE

SPECIAL AWARDS AND HONORS TO BUREAU OF STATE SERVICES (COMMUNITY HEALTH)
PERSONNEL DURING 1962 CALENDAR YEAR

- Arnstein, Margaret G., Division of Nursing: Appointed to executive board of the American Public Health Association.
- Brand, David, Division of Chronic Diseases: Appointed to the executive committee of the American Heart Association.
- Brewster, Agnes W., Division of Community Health Services: Elected president, Group Health Association, Inc.
- Doyle, Patrick, Division of Chronic Diseases: Elected president of American Pediatrics Abroad.
- Goddard, James L., Chief, Communicable Disease Center: Received the John Jeffries Award of the Institute of the Aerospace Sciences for contributions to medical support of civil aviation activities.
- Hoggard, Ferris M. Jr., Division Dental Public Health and Resources: Honorary membership in the Michigan State Dental Association in recognition of his service in the institution of a successful prepaid dental care plan in the State of Michigan.
- Hudson, Helen H., Division of Nursing: Elected to board of directors, District of Columbia League for Nursing.
- Langmuir, Alexander D., Communicable Disease Center: Appointed Cutter lecturer on preventive medicine for the academic year 1961-62 by president and fellows of Harvard College.
- Lieberman, James, Communicable Disease Center: Certificate of appreciation, National League for Nursing, for organizing workshop on role of communications in recruitment.
- Mayes, W. F., Office of the Chief (Community Health): Elected president of the Harvard Public Health Alumni Association.
- McGibony, John R., Division of Hospital and Medical Facilities:
1. Appointed as consultant to the World Health Organization.
 2. Awarded an honorary life membership in the Indian Hospital Association in New Delhi.
- Pershing, Madeline, Division of Chronic Diseases: Appointed to the National Advisory Committee of the National Society for the Prevention of Blindness.
- Robbins, Lewis, Division of Chronic Diseases: Elected vice president of the Public Health Cancer Association.
- Steele, James H., Communicable Disease Center:
1. Reappointed for third 5-year term as member of WHO Expert Advisory Panel of Zoonoses.
 2. Elected honorary member of Veterinary Medical Association of New York City; presented illuminated scroll citation.
- Wallace, Alwilda L., Communicable Disease Center: Southern vice president, American Society of Professional Biologists.
- Wycoff, Samuel J., Division of Dental Public Health and Resources: Certificate of award in appreciation of role as major essayist and participant in the 49th annual session of the Northeastern Dental Society.

SPECIAL AWARDS AND HONORS TO HEW PERSONNEL DURING 1962, BUREAU OF STATE SERVICES (ENVIRONMENTAL HEALTH)

- Belknap, Raymond A., Division of Environmental Engineering, and Food Protection: Elected president of the International Association of Milk and Food Sanitarians for the term of 1962-63.
- Chadwick, Donald R., Chief, Division of Radiological Health:
1. Appointed as member of World Health Organization Expert Advisory Panel on Radiation.
 2. Appointed as member of National Committee on Radiation Protection.
- Cohen, Jesse M., Division of Water Supply and Pollution Control: Received a citation for the best paper in the Purification Division of the American Water Works Association.
- Fooks, Jack, Division of Radiological Health: Vice Chairman of the Session on Public Aspects of the Nuclear Use of the 1962 Nuclear Congress.
- Gilbertson, Wesley E., Division of Environmental Engineering and Food Protection: Certificate for outstanding service presented by the National Society

of Professional Engineers in recognition and appreciation of his outstanding and energetic leadership as chairman of the professional engineers in Government. Mr. Gilbertson was national chairman of the professional engineers in Government section for 3 consecutive years (1959-61).

Goeke, Roscoe, Division of Radiological Health: Cochairman of the Membership Committee of the Health Physics Society.

MacKenzie, Vernon G., Chief, Division of Air Pollution:

1. Member of the board of directors, Air Pollution Control Association.
2. Appointed member of the Committee on Evaluation and Standards, American Public Health Association.

McCallum, Gordon E., Chief, Division of Water Supply and Pollution Control: Received an honorary doctor of science degree from Clemson College.

Moeller, Dade, Division of Radiological Health:

1. Member of the Examination Panel of the American Board of Health Physicists.
2. Member of the board of directors and chairman, Committee on Ethics, Education and Certification, New England Chapter of Health Physicists Society.
3. Chairman of the Committee on Ionization Radiation, American Conference of Industrial Hygienists.
4. Chairman, Subcommittee N-26, Nuclear Standards Board, American Standards Association.

SPECIAL AWARDS AND HONORS TO HEW PERSONNEL DURING 1962, BUREAU OF STATE SERVICES (ENVIRONMENTAL HEALTH)

Nelson, Clifford, Division of Radiological Health: Consultant to the Health Physics Society on regulations and laws.

Prindle, Richard A., Deputy Chief, Division of Air Pollution: Appointed to the board of directors, Air Pollution Control Association.

Stern, A. C., Assistant Chief, Division of Air Pollution: Appointed chairman, Committee on Air Pollution Controls, American Society of Mechanical Engineers.

Stokinger, Herbert E., Division of Occupational Health: Appointed as member of World Health Organization Expert Advisory Panel on Environmental Health.

Straub, Conrad P., Division of Radiological Health: Appointed chairman of the Committee on the Handling of Radioactive Isotopes and Disposition of Radioactive Waste of the International Committee on Radiological Practice.

Terrill, James G. Jr., Deputy Chief, Division of Radiological Health:

1. WHO Expert Advisory Panel on Radiation.
2. Appointed to American Board of Industrial Hygiene.
3. Appointed to American Hospital Association Committee on Use of Radioisotopes in Hospitals.
4. Member of American Standards Association Nuclear Society Board.
5. Appointed to American Society of Mechanical Engineers Sectional Committee on Reactor Hazards.
6. Member of National Committee on Radiation Protection, Subcommittee 10.
7. American Society of Chemical Engineers representative on the Program Steering Committee of the 1962 Nuclear Congress.

Wolff, Arthur H., Division of Radiological Health: Consultant to the Atomic Energy Branch of the Food and Agriculture Organization of the United Nations.

Milk and Food Branch, Division of Environmental Engineering and Food Protection: Received certificate of merit from the American Veterinary Medical Association for excellence of scientific exhibit, "Certification of Interstate Milk Shippers—A Voluntary Cooperative State-PHS Program."

BUREAU OF MEDICAL SERVICES, PHS

Allen, Richard, laborer and Willie Raymond, ambulance driver at the PHS Indian hospital at Schurz, Nev.: Honored by Governor Sawyer of Nevada at ceremonies in the State capitol for their heroism in helping put out a fire under a freight car loaded with high explosives which endangered the entire community of Schurz. Appointed to life membership in the Battle-Born Battalion of the Nevada Volunteers of the Silver State of Nevada.

- Archambault, George F., Chief, Pharmacy Branch, Division of Hospitals:
 (1) Installed as president of the American Pharmaceutical Association.
 (2) Received the Andrew Craigie Award given by Lederle Laboratories for outstanding accomplishment in advancing professional pharmacy.
- Clark, Laura K., PHS Indian Health, Phoenix Area Public Health Nursing consultant (orthopedic): Received a certificate of award by Arizona State Nurses Association.
- DeLien, Horace G., medical officer in charge, U.S. Public Health Service, Hong Kong, British Crown Colony: Received an Outstanding Achievement Award, University of Minnesota Medical School.
- Gillis, Mary C., Chief, Social Service Branch, Division of Hospitals: Appointed by the board of trustees of the American Hospital Association as member of committee on social work in hospitals.
- Keneally, Henry, PHS Indian Health, Phoenix area health educator: Received the Distinguished Public Service Award from the Phoenix Community Council.
- Levine, Clarence A., nurse officer, U.S. Public Health Service Hospital, Baltimore, Md.: Received the Federal Nursing Service Award given by Hoffman-La-Roche, Inc., for outstanding contribution to the advancement of professional nursing.
- Voelker, M. Loyola, medical record librarian, U.S. Public Health Service Hospital, Baltimore, Md.: Voted president-elect of the American Association of Medical Record Librarians.

NATIONAL LIBRARY OF MEDICINE—SPECIAL AWARDS AND HONORS TO HEW PERSONNEL,
1962

Taine, Seymour I., National Library of Medicine, PHS: Ida and George Eliot Prize Essay Award of the Medical Library Association for outstanding contribution to medical librarianship.

OFFICE OF THE SURGEON GENERAL, PHS

- Atkins, C. H., chief sanitary engineering officer, honorary membership (scroll) in the National Association of Sanitarians "in appreciation of his faithful and meritorious service to the principles of public health and environmental sanitation, thereby rendering an invaluable contribution to the welfare of humanity."
- Bowman, Richard W.; Cottrell, Hugh B.; Ferrazzano, G. P.; Fisher, Verne F.; Hughes, Walter C.; and Kilcrease, Dawson T.; Division of Health Mobilization and regional offices IV and VII: Certificate of Merit from the Louisiana Civil Defense Agency and a certificate of appreciation from the American National Red Cross for the role these men played in Operation Chlorine, which was the lifting of four tanks of liquid chlorine with a content of 1,100 tons sunk in the Mississippi River, 7½ miles below Natchez, Miss.
- Hunter, J. Stewart, Office of Information and Publications, elected vice president, National Public Relations Council of Health and Welfare Services, Inc.
- Terry, Luther L., Surgeon General, honorary degree of doctor of science, Jefferson Medical College, Philadelphia, Pa.

NATIONAL INSTITUTES OF HEALTH

AWARDS AND HONORS, 1962

- Dr. Howard B. Andervont, NCI, National Civil Service League's Career Service Award for outstanding record of performance.
- Dr. Sjoerd L. Bonting, and Dr. Kenneth A. Simon, NINDB, second annual "Fight for Sight" citation from the Association for Research in Ophthalmology: \$500 and a scroll. (This award was given to Dr. Bonting last year.)
- Dr. LeRoy L. Costantin, NHI, national award for excellence and originality of research in the cardiovascular field, \$10,000 and silver medal; awarded by the American College of Cardiology.
- Dr. H. Trendley Dean, first Director of NIDR, (posthumous) the Miller Medal, highest honor of the Federation Dentaire Internationale, in recognition of his eminent services to international dentistry.
- Dr. Thelma B. Dunn, NCI, the second annual Federal Woman's Award; honorary degree of doctor of medical science from the Woman's Medical College of Pennsylvania.

- Dr. Harold Edelhoch, NIAMD, the 1962 Van Meter Prize of the American Thyroid Association, Inc., \$500.
- Dr. W. King Engel, NINDE, the G. Weir Mitchell Essay Award, by the American Academy of Neurology.
- Drs. Robert J. Fitzgerald and Paul H. Keyes, NIDR, the Albert Joachim Award: 25,000 francs (Belgian), and medallion of the Federation Dentaire Internationale in Cologne, Germany.
- Dr. Morris Goldman, NIAID, the Kimble Methodology Award, \$1,000 and silver plaque.
- Dr. Wilhelm C. Hueper, NCI, joint award (shared by Prof. Leon M. Shabad of U.S.S.R.) of \$10,000 for outstanding scientific research on environmental causes of cancer by the United Nations General Assembly. Modern Medicine magazine's annual award for distinguished achievement.
- Miss Edith Jones, CC, Alpha Chi Omega's achievement award in the field of dietetics.
- Dr. Edward McLaughlin, NCI, annual James Ewing Society Award given by the Pennsylvania Medical Society.
- Dr. Andrew G. Morrow, NHI, Arthur S. Flemming Award "for ability which is unique among surgeons, to apply basic physiological principles to problems in experimental and clinical surgery."
- Dr. Marshall W. Nirenberg, NIAMD, National Academy of Science's newly established Award in Molecular Biology—\$5,000 grant to be used to advance the scientific program of the recipient.
- Dr. Stanley J. Sarnoff, NHI, Gairdner Foundation Award, \$5,000.
- Dr. James A. Shannon, Director, NIH, the Public Welfare Medal of the National Academy of Science for "eminence in the application of science to the public welfare."
- Dr. Joseph E. Smadel, DBS, the 1962 Albert Lasker Clinical Research Award, \$10,000; honorary degree of doctor of science by the University of Maryland.
- Dr. Harold R. Stanley, NIDR, first award for outstanding contribution to dentistry by the Gorgas Odontological Society.
- Dr. J. H. Tjio, visiting scientist, NIAMD, first Joseph P. Kennedy, Jr., Foundation Award for scientific achievement: \$25,000, shared with two other scientists.
- Dr. Sidney Udenfriend, NHI, Hillebrand Award of the Chemical Society of Washington, D.C.
- Dr. John Urquhart, NHI, annual Upjohn Award of the Endocrine Society for the best paper in endocrinology: \$1,250, shared with three other investigators at Harvard.

HOWARD UNIVERSITY

1. Leon Brown, professor of architecture: District of Columbia Board of Trade award for architectural design.
2. Alice T. Davis, lecturer in social work: Agnes Van Driel Memorial Award of the Council on Social Work Education in recognition of the theory, content and methods of staff development which she has contributed in the field of social work.
3. Lewis K. Downing, dean of the school of engineering and architecture: District of Columbia Commissioners' official commendation for meritorious public service.
4. Ernest E. Goodman, director of information services: Distinguished Achievement Award of the American College Public Relations Association (for production and use of audiovisual materials) in recognition of meritorious service to higher education. Second place in annual Eleanor Fishburn Award competition of the Washington Educational Press Association (for published articles which contribute to international understanding).
5. Inabel B. Lindsay, dean of the school of social work: Bronze plaque of the National Association of Colored Women's Clubs, Inc., for meritorious service in the field of education.
6. Howard H. Mackey, professor of architecture: Citation from and election to College of Fellows of the American Institute of Architects.
7. James M. Nabrit, Jr., president of the university: Merit award of the Northwestern University Alumni Association in recognition of worthy achievement which has reflected credit upon Northwestern University and each of her alumni.
8. Spottswood W. Robinson, III, dean of the school of law: Superior Achievement award of the American Federation of Government Employees, D.C.

- chapter. Citation for outstanding achievement in the legal profession, Beta chapter, Sigma Delta Tau legal fraternity.
9. James A. Washington, Jr., professor of law: Citation for outstanding achievement in public service, Beta chapter, Sigma Delta Tau legal fraternity. Same award, Alpha chapter, Sigma Delta Tau legal fraternity. Citation for outstanding achievement in public service, Student Bar Association, Howard University School of Law.
 10. Ernest R. Welch, professor of electrical engineering: Citation of meritorious service of the Veterans of Foreign Wars. Citation for outstanding service, American Institute of Electrical Engineers.
 11. Doris L. Jones, a clerical employee of the physical plant department, has received a citation for her outstanding service with Medico—A service of CARE—as an X-ray technician at the Beni Messous Hospital in Algiers, Algeria, from September to December 1962.

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

SPECIAL AWARDS TO BUREAU PERSONNEL FROM NONGOVERNMENT SOURCES DURING CALENDAR YEAR 1962

A national employer award was presented to the Bureau of Old Age and Survivors Insurance and Director Victor Christgau, by the American Legion national commander. The award was given in recognition for the Bureau's outstanding record in the employment of handicapped veterans.

Special awards from non-Government sources, calendar year 1962

Regional Director, New York.	Award of merit in appreciation and recognition of outstanding effort devoted to the fund in behalf of 425 health and welfare organizations serving the people of the city of New York.	The Greater New York Fund.
Regional Director, Chicago....	Elected national vice president.....	American Society for Public Administration.
Do.....	Served as committee member.....	Illinois Governor's Committee on Unemployment.
Regional Director, Dallas....	Distinguished service award for efforts and leadership in connection with programs of private health, character building, welfare, and educational organizations.	Council of Social Agencies.
Do.....	Meritorious service award for exceptional public service in America's fight against disease and disability.	Federal Service Campaign for National Health Agencies.
Do.....	Headliner award in recognition of community and civic leadership as indicated by press coverage.	Dallas Press Club.
Regional Director, Denver...	Presented with Phi Beta Kappa honorary society alumni award and presented with Phi Beta Kappa honor key.	University of Denver faculty and chapter of Phi Beta Kappa.
D/HEW employees in Denver area.	Distinguished service plaque for 100-percent participation in 1962 United Fund drive.	Mile High United Fund, Inc.

OFFICE OF THE SECRETARY

OFFICE OF THE GENERAL COUNSEL

Special award from non-Government source during calendar year 1962

Reginald G. Conley, Assistant General Counsel, was the recipient of the Rockefeller Public Service Award for distinguished service in the field of law, legislation, and regulation. The award carried a cash gift of \$5,000 and the privilege to draw on additional grants to write, lecture, or provide consultative services in his field of specialization.

IMPLEMENTATION OF MANPOWER DIRECTIVES

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ACTIONS TAKEN TO IMPLEMENT PRESIDENTIAL DIRECTIVES ON IMPROVED
MANPOWER CONTROL AND UTILIZATION

The Postal Service and Federal Employee Salary Act of 1963 included a provision that the departments, agencies, establishments, and corporations in the executive branch shall absorb the cost of the increases in basic compensation provided by this act to the fullest extent possible without seriously affecting the immediate execution of essential functions. In addition the President directed each department and agency to increase their efforts toward improving manpower controls and manpower utilization in the executive branch.

As a result of these directives the following actions have been taken:

1. The head of each operating agency was directed to establish a system for reviewing the necessity for filling all job vacancies;
2. Each agency was directed to develop a system for the annual review of job necessity for all provisions; and
3. An employment reduction policy was instituted for all accounts with certain exemptions, with the objective of reducing end-of-year employment by 3 percent.

The latter policy was to be accomplished by not filling vacancies as they occurred or by not filling certain new positions. The savings realized by the application of this policy were to be applied to the costs of the pay increase.

The exemptions to this policy were granted as follows:

1. Staff engaged in patient care activities;
2. Activities for which congressional action reduced staffing by 3 percent or more below the President's recommendations with respect to the regular 1963 budget; and
3. Staff whose workload was increased by legislation enacted in the last session of Congress.

Attachments (1) Secretary's memo of October 18, 1962, to operating agency heads, with following attachments:

- (A) President's directive of October 11, 1962.
- (B) DHEW employment reduction policy.
- (C) DHEW review of necessity for filling job vacancies.
- (D) DHEW annual review of positions.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, October 18, 1962.

Memorandum to: See below.¹

From: The Secretary.

Subject: Improving manpower controls and utilization in the Department of Health, Education, and Welfare.

The President has again called for increased efforts toward improving manpower controls and manpower utilization in the executive branch. In his memorandum of October 11, 1962, a copy of which is attached (attachment A), he sets forth a seven-point program for securing increases in productivity and efficiency and for staffing only on the basis of demonstrated need to carry out essential activities.

I should like the head of each operating agency to give his personal attention to insuring that the President's policy is thoroughly understood and faithfully carried out in his agency.

I am convinced that our Department can increase its effectiveness and at the same time achieve significant economies. Personal services expenditures are the largest controllable item in our operating budget. Here we must concentrate. I would like each of you to review critically the need for filling all vacancies, to reconsider carefully any plans for additional staff, and to authorize use of personal services funds for overtime only on a basis of absolute necessity.

¹ Addressees: Dr. Wayne O. Reed, OE; Mr. George P. Larrick, FDA; Dr. Luther L. Terry, PHS; Dr. Dale C. Cameron, SEH; Mr. Robert M. Ball, SSA; Miss Mary E. Switzer, OVR.

The Department will take three immediate actions in support of the Presidential directive:

1. We shall institute an employment reduction policy with the objective of decreasing actual end-of-year employment in fiscal year 1963 by at least 3 percent (attachment B).
2. Each agency will develop a system for reviewing the need for filling all job vacancies (attachment C).
3. Each agency will develop a system for the annual review of job necessity (attachment D).

The Department will make a 3-percent employment cutback as a matter of fiscal necessity. Without deficiency spending authority, we cannot undertake budgeted staffing plans and absorb the costs of the pay increase. I will not request such authority until I am convinced that the Department has made every effort to extract dollar value from all its currently appropriated moneys. The employment reduction policy makes specific exemptions and allows for requests for other exemptions. I ask that each agency head adopt an affirmative attitude toward the policy. I expect few requests for exemption.

In the past, we have had "crash" programs to save money and reduce staffing. Now I want a continuing emphasis on economy in the operations of our Department. Our attention must be continually directed toward good manpower utilization and control. Control begins with the budget and the recruitment process. As important are our continuing policies on manpower utilization. The effect of reprogramming because of a reduced manpower plan for this year will be temporary. However, we will continue to strengthen our present system for review of manpower utilization. In this effort, I ask your wholehearted cooperation.

The attached statements of policy will be incorporated in the Department Manual system within the next few days.

ATTACHMENT A

THE WHITE HOUSE,
Washington, October 11, 1962.

Memorandum for the heads of departments and agencies.

Subject: Improving manpower controls and utilization in the executive branch.

On several occasions I have emphasized the importance of actions to limit the number of Federal employees to the absolute minimum necessary to get the public business done. We can accomplish this objective only if strong efforts are made by every department and agency head to achieve increases in productivity and efficiency, to use better techniques of management, and to add staff only on the basis of demonstrated need to carry out essential activities.

Congress has now enacted legislation, along the lines of the proposal made to the Congress last January, to provide pay scales more nearly to the level of those prevailing in the private economy. I am confident that this will reduce turnover, attract more capable people into the Federal Service, and improve employee morale. It will thus make a direct and substantial contribution to increased productivity. An added obligation is therefore placed on the executive branch to make certain that essential programs are carried out with the minimum of personnel.

It is most important to recognize that responsibility for manpower control and utilization in the Federal Government rests squarely on the top management of each agency. Without your continuing attention and support, it will not be possible to hold new requests for personnel to bedrock levels, to abolish marginal jobs, and to increase employee productivity. Where rules, regulations, or laws restrict you in carrying out this objective, I will expect you to make these facts known promptly and to suggest solutions.

Employment needs are decreased as productivity rises and as ongoing programs can be reduced or terminated. At the same time it is recognized that new programs or expansion of existing programs will result in increased employment, to the extent that increased manpower needs cannot be offset by greater productivity. It is essential that employment plans be scrutinized at every level to make sure that every opportunity for decreases is seized and increases, where necessary, are held to an absolute minimum. This is vital not only because civilian salaries account for a substantial part of the Federal budget, but equally important—especially in such fields as engineering, science, and medicine—because the Federal Government is competing for a scarce supply of manpower. The best utilization of manpower is therefore important not only to keep budget costs down but to maximize our national security and our economic growth.

I have recently completed a review of our present system for determining manpower requirements and for holding the number of Federal employees to a minimum. To strengthen the Government's manpower control program, I have directed that the following actions be taken:

1. Detailed employment plans as well as expenditure plans will be submitted by each department and agency in connection with the annual budget review.

2. Such plans will be expected to reflect increases in employee productivity, that is, it is to be expected that the same amount of work will be performed by increasingly fewer people, and the number of employees will not increase proportionately with increases in programs.

3. The Bureau of the Budget will give increased scrutiny to these employment plans and keep me informed. In addition, the Bureau will strengthen and update present instructions to the departments and agencies concerning the establishment of adequate machinery and methods to increase efficiency and hold down employment.

4. Each department and agency will be required to submit to the Bureau of the Budget for review at an early date its overall program for manpower control and manpower utilization. I expect each department and agency head to give personal attention to this matter.

5. All agencies are requested to undertake increased efforts to search out and apply the most modern and effective means used in either Government or private industry to increase efficiency and output. There are many cases where such productivity has increased rapidly in recent years—the Internal Revenue Service, the Customs Bureau, the Census Bureau, the Passport Office, and many other parts of Government can be cited as good illustrations. I should like these efforts broadened and expanded. Central research to assist in this effort will be conducted by the Bureau of the Budget and the Civil Service Commission. As an illustration, the Bureau has undertaken, in cooperation with several agencies, a research and demonstration project in five different units of Government to develop methods for measuring overall agency productivity and for using such measures for improved manpower control.

6. The Bureau of the Budget, the Civil Service Commission, and the departments and agencies will undertake a systematic program of manpower inspections and reviews. The priority and scheduling of these inspections will be worked out under the leadership of the Bureau of the Budget, and will be carried out by staff of the Bureau, the Commission, and the agency concerned. The special inquiries into manpower utilization practices currently made by the Civil Service Commission will become a part of this new program. The inspections will be made on a selective basis which will give priority attention to areas where the most significant problems and potential savings exist. While every agency cannot be reviewed each year, it may be desirable to review certain agencies annually or more frequently. The inspections will be designed to test the effectiveness of agency systems for manpower analysis and control, and to assist the departments and agencies in discovering opportunities for better use of the manpower resources that are available. The results of these reviews will be reported to the head of each agency promptly, for immediate attention and such action as is necessary. I have asked to be kept informed of the findings and recommendations that are made, and the action taken.

7. The Congress, in enacting the Postal Service and Federal Employee Salary Act of 1962, included a provision that "the departments, agencies, establishments, and corporations in the executive branch shall absorb the cost of the increases in basic compensation provided by this act to the fullest extent possible without seriously affecting the immediate execution of essential functions." It further provides that "the heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignations, retirement, or death, and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions." I am in full agreement with this statement of policy and will look to the Director of the Bureau of the Budget to advise me with respect to the observance of this policy in connection with any supplemental appropriations required to carry out that act.

I regard the program outlined in this memorandum as of the highest importance to good management in the executive branch. If we carry it out firmly, I am confident that productivity in the Federal Government can continue to keep pace with the growth of productivity in the private sector of the economy. Such

an accomplishment would translate into tens of thousands of Federal jobs that either could be eliminated or would not have to be added to the present numbers.

I am sure that these measures and objectives will have your strong personal support.

JOHN F. KENNEDY.

ATTACHMENT B

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

EMPLOYMENT REDUCTION POLICY, FISCAL YEAR 1963

I expect each segment of the Department to practice the maximum economy of operation consistent with prompt and effective accomplishment of our objectives and responsibilities. I am especially concerned that the new increase in Federal salaries does not result in an increased cost of government without a commensurate improvement in efficiency and economy and that the increases in staff authorized for 1963 be used only to the extent that they are proved necessary in day-to-day operations.

Reduction of 3 percent in Department employment

In order to accomplish significant savings in the Department's personal service costs, it is necessary to require that employment levels for 1963 be at least 3 percent below those authorized in appropriations.

The following steps should be taken by each operating agency and staff office to accomplish a reduction of 3 percent in authorized employment:

1. Initiate a review of all current vacancies to determine what positions can be abolished and to make a positive finding as to what positions must be filled.
2. Establish an effective control on authorized positions to assure that actual employment does not at any time exceed 97 percent of the total positions provided in the appropriation act.
3. In those areas where employment now exceeds 97 percent of authorized positions, establish controls on the refilling of vacated positions to permit filling of not more than one of four vacancies until such time as 3-percent reduction in authorized staffing has been achieved.
4. Savings realized by application of this reduction will be administratively reserved as savings to be applied to the costs of the pay increase. Any proposal to use these reserves for unforeseen contingencies or other purposes must be submitted to the Office of Financial Management for prior approval.
5. Where application of this reduction will impair effective operations, heads of operating agencies may request exemptions by submission of the matter to me through the Office of Financial Management.

Exemptions

Exemption to the employment reduction policy is granted to—

1. Staff engaged in patient-care activities (hospital and medical care, Indian health activities, St. Elizabeths Hospital, and Freedmen's Hospital).
2. Activities for which congressional action on appropriations reduced staffing by 3 or more percent below the President's recommendations with respect to the regular 1963 budget (salaries and expenses, Office of Education—partial; repatriation of U.S. nationals; salaries and expenses, Bureau of Family Services; salaries and expenses, Office of the Secretary; salaries and expenses, Office of Field Administration; salaries and expenses, Office of General Counsel).
3. Staff whose workload has been increased by legislation enacted in the current session of Congress (salaries and expenses, Bureau of Family Services, and salaries and expenses, Food and Drug Administration).

End-of-year employment

The objective of this reduction is to decrease actual end-of-year employment by at least 3 percent below employment planned for the end of the year. This will result in a decrease in personal services obligations. These savings together with savings in other objects of expense will be used to finance the recent pay increase.

While every possible economy should be exercised in the use of funds for other objects of expense, a forced savings in these costs, such as deferral of equipment and supply purchases, will not be acceptable as a substitute for personal services savings.

Apportionments

Reapportionment requests will be prepared for all appropriations involving Federal staff. The reapportionment will reflect the increased cost of the pay increase offset by the saving resulting from the above policies by reduced staffing.

Progress reports

In order to provide me with periodic reports of progress made in accomplishing these savings, each agency will submit a monthly report in the form of exhibit A, attached, to the Office of Financial Management by the 15th of the month following the end of the reporting period. Items excluded from the savings requirement as identified above should be included in the report with appropriate footnotes.

EXHIBIT A

Appropriation	Total positions in budget	Positions filled end of period	Total annual personal services in budget	Cumulative personal services through quarter in latest apportionment	Cumulative personal services obligations through end of period	Indicated savings through quarter
	(1)	(2)	(3)	(4)	(5)	(6)

NOTES

Col. 1: "Total positions in budget" means the end-of-year employment reflected in the President's budget for fiscal 1963 as adjusted by congressional action.

Col. 3: "Total annual personal services" means the total of the amounts shown in object classes 11 and 12 of the President's budget as adjusted by congressional action.

Col. 6: "Indicated savings through quarter" means the estimated savings resulting from the nonfilling of vacancies and from lapse projected through the end of the quarter in which the month being reported falls. For end-of-quarter reports this amount will be the difference between cols. 4 and 5.

ATTACHMENT C

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

REVIEW OF THE NECESSITY FOR FILLING JOB VACANCIES

The head of each operating agency and staff office will establish a system for the review of the need to fill any job vacancy. The system will be directed by a principal administrative officer. The system will insure observation of two review essentials:

1. A determination must be made that the duties to be performed could not be reassigned to another employee and that the position is necessary to the execution of an essential function.

2. The request for filling any vacancy must be reviewed by an official higher than the person making the request but in no event by an official below the official with selecting authority.

Sufficient records should be kept on each review action to permit easy audit by staff of the Office of the Secretary. Paperwork should be held to a minimum.

ATTACHMENT D

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ANNUAL REVIEW OF POSITIONS

The head of each operating agency will develop and maintain a system for the annual review of positions. The system will provide positive assurance that every position has been reviewed once each year to determine whether the position is necessary and whether the position is correctly classified. The system

will emphasize the effective, efficient, and economical use of manpower and be integrated with the agency management appraisal system. The system should be productive and create a minimum of paperwork. Each system should include the following requirements:

1. Review each position within the context of the assigned mission and the objectives of the organization.
2. Review the need for each job apart from the competence of the incumbent of the job.
3. Emphasize the positive need for good manpower utilization.
4. Assure that the work done in the past is the kind of work that is necessary now.
5. Create a climate which will encourage, communicate, and secure action on all suggestions for better manpower utilization from both employee and supervisor.
6. Use the experience and knowledge possessed by the immediate supervisor in making the annual review.

1963 OBLIGATIONS AND EMPLOYMENT AS OF DEC. 31, 1962

	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1962	Unobligated balance as of Dec. 31, 1962	Personnel employed as of Dec. 31, 1962	Average number of Positions budgeted for 1963
FOOD AND DRUG ADMINISTRATION						
Salaries and expenses.....	\$28,235,000	\$27,217,000	\$12,140,459	\$16,094,541	\$2,555	\$2,768
Salaries and expenses, certification, inspection, and other services.....	3,217,402	2,705,000	2,705,000	2,366,577	175	171
Pharmacological animal laboratory building.....	1,742,901	1,742,901	1,571,669	171,232		
Total, Food and Drug Administration.....	33,195,303	31,664,901	14,562,953	18,632,350	2,730	2,939
OFFICE OF EDUCATION						
Promotion and further development of vocational education (annual appropriation), grants.....	34,716,000	34,715,823	34,715,823	177		
Promotion of vocational education (permanent appropriation), grants.....	7,161,455	7,161,455	7,161,455			
Further endowment of colleges of agriculture and the mechanic arts (annual appropriation), grants.....	11,950,000	11,950,000	11,950,000			
Colleges for agriculture and the mechanic arts (permanent appropriation), grants.....	2,550,000	2,550,000	2,550,000			
Grants for library services, grants.....	7,500,000	7,500,000	6,633,418	866,582		
Payments to school districts, grants.....	282,322,000	282,322,000	58,315,686	224,006,314		
Assistance for school construction, grants.....	100,897,000	100,897,000	30,882,418	70,014,682		
Defense educational activities, grants.....	220,786,000	186,284,000	97,546,463	123,239,537		
Expansion of teaching in education of the mentally retarded, grants.....	1,000,000	1,000,000	146,933	853,067		
Expansion of teaching in education of the deaf, grants and administration.....	1,500,000	1,500,000	1,500,000	1,500,000		
Cooperative research.....	6,985,000	6,985,000	5,160,345	1,824,655		
Salaries and expenses (special foreign currency program).....	414,343	414,343	400	1,409,943		
Salaries and expenses.....	12,299,000	12,299,000	6,524,538	5,774,462	1,071	1,069
Total, Office of Education.....	690,080,798	655,580,621	261,591,379	428,489,419	1,071	1,069
VOCATIONAL REHABILITATION ADMINISTRATION						
Grants to States.....	72,940,000	72,940,000	35,901,810	37,038,190		
Research and training.....	25,500,000	25,500,000	20,161,291	5,338,709		
Research and training (special foreign currency program).....	3,223,080	3,223,080	409,788	2,813,292		
Salaries and expenses.....	2,480,000	2,480,000	1,217,508	1,262,492	240	215
Total, Vocational Rehabilitation Administration.....	104,143,080	104,143,080	57,690,397	46,452,683	~	215

1963 OBLIGATIONS AND EMPLOYMENT AS OF DEC. 31, 1962—Continued

	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1962	Unobligated balance as of Dec. 31, 1962	Personnel employed as of Dec. 31, 1962	Average number of positions budgeted for 1963
PUBLIC HEALTH SERVICE						
Buildings and facilities: Other	\$54,285,884	\$5,274,725	\$768,844	\$53,517,040		
Accident prevention:						
Grants	1,828,000	1,828,000	1,014,779	813,221		
Other	1,840,000	1,840,000	854,055	985,945		
Total	3,668,000	3,668,000	1,868,834	1,799,166	\$173	\$167
Chronic diseases and health of the aged:						
Grants	19,000,000	19,000,000	10,650,133	8,349,867		
Other	3,942,000	3,942,000	1,245,964	2,696,036		
Total	22,942,000	22,942,000	11,896,097	11,045,903	200	229
Communicable diseases activities: Other	10,062,000	10,062,000	5,065,181	4,996,819	883	873
Community health practice and research:						
Grants	22,900,000	22,900,000	19,639,146	3,260,854		
Other	3,063,000	3,063,000	1,278,121	1,784,879		
Total	25,963,000	25,963,000	20,917,267	5,045,733	257	292
Control of tuberculosis:						
Grants	4,500,000	4,500,000	4,197,701	302,299		
Other	2,493,000	2,493,000	1,198,792	1,294,208		
Total	6,993,000	6,993,000	5,396,493	1,596,507	186	196
Control of venereal diseases:						
Grants	4,335,000	4,335,000	4,325,410	9,590		
Other	3,665,000	3,665,000	1,797,309	1,867,691		
Total	8,000,000	8,000,000	6,122,719	1,877,281	572	714
Dental services and resources: Other	3,006,000	3,006,000	1,276,836	1,729,163	252	267
Nursing services and resources:						
Grants	7,325,000	7,325,000	6,071,985	653,015		
Other	1,113,000	1,113,000	490,785	622,215		
Total	8,438,000	8,438,000	7,162,770	1,275,230	89	112

Hospital construction activities:

Grants.....	223,600,000	223,600,000	11,128,609	212,471,391		
Other.....	2,630,000	2,630,000	1,155,895	1,474,105		
1962-63 grants.....	146,878,898	146,878,898	44,471,457	102,407,441		
Total.....	373,098,898	373,098,898	56,755,961	316,342,937	201	221
Air pollution:						
Grants.....	3,375,041	3,375,041	2,222,177	1,152,864		
Other.....	7,693,959	7,693,959	4,134,012	3,559,947		
Total.....	11,069,000	11,069,000	6,356,189	4,712,811	380	388
Milk, food, interstate, and community sanitation:						
Grants.....	3,924,000	3,924,000	2,205,923	1,718,077		
Other.....	4,612,000	4,612,000	2,060,169	2,551,831		
Total.....	8,536,000	8,536,000	4,266,092	4,269,908	297	354
Occupational health:						
Grants.....	1,766,000	1,766,000	1,020,648	745,352		
Other.....	2,355,000	2,355,000	1,124,502	1,231,498		
Total.....	4,122,000	4,122,000	2,145,150	1,976,850	190	183
Radiological health:						
Grants.....	5,045,000	5,045,000	1,922,092	3,122,908		
Other.....	10,830,000	10,830,000	5,824,682	5,005,318		
Total.....	15,875,000	15,875,000	7,746,774	8,128,226	748	723
Water supply and water pollution control:						
Grants.....	10,064,000	10,064,000	6,942,583	3,121,417		
Other.....	14,643,000	14,643,000	7,020,337	7,622,663		
Total.....	24,707,000	24,707,000	13,962,920	10,744,080	983	1,065
Grants for waste treatment works construction: Grants.....						
	112,649,017	112,649,017	64,154,149	48,494,868		
Hospitals and medical care:						
Grants.....	1,200,000	1,200,000	600,000	600,000		
Other.....	53,829,000	53,829,000	27,146,385	26,682,615		
Total.....	55,029,000	55,029,000	27,746,385	27,282,615	6,851	6,732
Foreign quarantine activities: Other.....						
	5,892,000	5,892,000	2,947,946	2,944,054	638	630
General research and services:						
Grants.....	151,343,000	151,343,000	50,391,738	100,951,262		
Other.....	8,483,000	8,151,000	3,166,406	5,316,594		
Total.....	159,826,000	159,494,000	53,558,144	106,267,856	452	498

1963 OBLIGATIONS AND EMPLOYMENT AS OF DEC. 31, 1962—Continued

PUBLIC HEALTH SERVICE—continued						
	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1962	Unobligated balance as of Dec. 31, 1962	Personnel employed as of Dec. 31, 1962	Average number of positions budgeted for 1963
National Cancer Institute:						
Grants	\$85,796,000	\$81,796,000	\$39,770,154	\$46,025,846		
Other	69,946,000	66,667,000	23,855,578	46,030,422		
Total	155,742,000	148,463,000	63,625,732	92,116,268	\$1,490	\$1,411
Mental health activities:						
Grants	122,269,000	122,269,000	35,160,792	87,108,208		
Other	21,330,000	21,330,000	9,143,537	12,186,463		
Total	143,599,000	143,599,000	44,304,329	99,294,671	1,050	1,074
National Heart Institute:						
Grants	127,464,000	115,584,000	46,357,051	81,106,949		
Other	19,934,000	19,637,000	8,985,303	10,948,697		
Total	147,398,000	135,221,000	55,342,354	92,055,646	999	1,011
National Heart Institute, 1962-63: Other						
	1,000,000	565,000		1,000,000		
National Institute of Dental Research:						
Grants	17,517,000	15,741,000	5,484,643	12,032,357		
Other	3,682,000	3,682,000	1,781,236	1,900,764		
Total	21,199,000	19,423,000	7,265,879	13,933,121	243	243
Arthritis and metabolic disease activities:						
Grants	90,011,000	88,011,000	40,640,459	49,370,541		
Other	13,377,000	13,283,000	6,414,168	6,962,832		
Total	103,388,000	101,294,000	47,054,627	56,333,373	577	565
Allergy and infectious disease activities:						
Grants	49,256,000	49,256,000	21,794,489	27,461,511		
Other	16,886,000	16,870,000	6,792,656	10,093,344		
Total	66,142,000	66,126,000	28,587,145	37,554,855	668	698
Neurology and blindness activities:						
Grants	69,622,000	68,207,000	31,562,887	38,059,113		
Other	13,884,000	13,570,000	6,544,148	7,339,852		
Total	\$3,506,000	\$1,777,000	\$8,107,035	\$45,398,965	641	698

Grants for construction of health research facilities: Grants.....	50,005,060	50,005,060	49,984,853	20,207	-----
Scientific activities overseas: Other.....	11,594,631	11,594,631	1,201,493	10,393,103	-----
National health statistics: Other.....	5,151,000	5,151,000	2,501,733	2,589,267	327
National Library of Medicine: Other.....	3,335,000	3,335,000	1,106,835	2,228,115	236
Retired pay of commissioned officers: Other.....	5,328,000	5,328,000	2,701,982	2,626,018	-----
Salaries and expenses, Office of the Surgeon General: Other.....	5,653,000	5,653,000	2,846,040	2,816,970	576
Bureau of State Services management fund: Other.....	6,291,800	6,291,800	2,923,277	3,368,523	707
National Institutes of Health management fund: Other.....	39,893,000	39,893,000	18,133,819	21,759,181	4,363
Construction of mental health-neurology research facility: Other.....	11,721,824	361,821	8,701	11,713,123	-----
Total, Public Health Service:	1,331,673,016	1,310,602,016	502,313,858	829,359,158	-----
Grants.....	1,443,415,095	1,378,276,909	103,555,772	279,859,296	-----
Other.....	-----	-----	-----	-----	-----
Total.....	1,1,775,088,034	1,1,688,878,925	605,869,630	1,109,218,454	25,542
Salaries and expenses.....	25,686,000	25,617,000	12,753,203	12,932,797	3,701
Buildings and facilities.....	9,425,338	2,396,616	344,870	9,080,468	-----
Total, St. Elizabeths Hospital.....	35,111,338	28,013,616	13,098,073	22,013,265	3,605
SOCIAL SECURITY ADMINISTRATION	-----	-----	-----	-----	-----
Salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund).....	(286,714,000)	(280,054,000)	(138,485,196)	(141,568,804)	34,087
Construction, Bureau of Old-Age and Survivors Insurance (trust fund).....	(4,398,558)	(3,702,000)	(3,290,988)	(411,012)	-----
Total, Social Security Administration.....	-----	-----	-----	34,239	34,087
WELFARE ADMINISTRATION 2	-----	-----	-----	-----	-----
Grants to States for public assistance 3	2,538,300,000	2,538,300,000	1,909,020,697	539,279,303	-----
Assistance for repatriated U.S. nationals.....	467,000	467,000	214,225	255,705	6
Salaries and expenses, Bureau of Family Services.....	3,585,000	3,585,000	1,818,823	1,736,167	362
Grants for maternal and child welfare.....	75,795,000	75,795,000	75,163,430	631,570	-----
Salaries and expenses, Children's Bureau.....	2,833,000	2,833,000	1,404,001	1,448,000	251
Salaries and expenses, Office of Aging 4	(473,000)	(473,000)	(211,202)	(267,798)	(47)
Juvenile delinquency and youth offenses.....	5,810,000	5,810,000	1,518,821	4,291,176	15
Assistance to refugees in the United States.....	70,110,000	70,110,000	26,758,078	43,351,922	100
Total, Welfare Administration.....	2,696,920,000	2,696,920,000	2,105,925,993	590,994,002	734
OTHER, SOCIAL SECURITY ADMINISTRATION AND WELFARE ADMINISTRATION	-----	-----	-----	-----	-----
Cooperative research or demonstration projects in social security.....	1,100,000	1,100,000	167,699	932,301	-----
Research and training (special foreign currency program).....	1,607,000	1,607,000	348,447	1,258,553	-----
Salaries and expenses, Office of the Commissioner.....	1,129,000	1,129,000	517,041	611,959	104
Total, other Welfare Administration and Social Security Administration.....	3,836,000	3,836,000	1,033,187	2,802,813	104

See footnotes at end of table.

1963 OBLIGATIONS AND EMPLOYMENT AS OF DEC. 31, 1962—Continued

	Available for obligation	Available for obligation less reserve	Obligated as of Dec. 31, 1962	Unobligated balance as of Dec. 31, 1962	Personnel employed as of Dec. 31, 1962	Average number of positions budgeted for 1963
AMERICAN PRINTING HOUSE FOR THE BLIND						
Education of the blind.....	\$739,000	\$739,000	\$739,000	-----	-----	-----
FREEDMEN'S HOSPITAL						
Salaries and expenses.....	6,098,645	5,992,645	2,888,018	\$3,210,627	\$911	\$983
GALLAUDET COLLEGE						
Salaries and expenses.....	1,908,000	1,908,000	914,983	993,037	240	243
Construction.....	1,587,077	1,587,077	97,052	1,490,025	-----	-----
Total, Gallaudet College.....	3,495,077	3,495,077	1,012,015	2,483,062	240	243
HOWARD UNIVERSITY						
Salaries and expenses.....	8,175,000	8,175,000	3,923,794	4,251,206	1,721	1,657
Plans and specifications.....	558,895	311,188	149,421	409,473	-----	-----
Construction and purchase of building.....	7,361,634	6,317,255	64,601	7,297,033	-----	-----
Total, Howard University.....	16,095,529	14,803,443	4,137,816	11,957,712	1,721	1,657
Total, special institutions.....	26,428,251	25,030,165	8,776,849	17,651,401	2,872	2,883
OFFICE OF THE SECRETARY						
Office of the Secretary.....	2,980,000	2,980,000	1,509,631	1,470,369	308	309
Office of Field Administration.....	4,777,000	4,777,000	2,363,395	2,413,605	566	573
Surplus property utilization.....	870,000	870,000	425,634	444,366	94	95
Office of the General Counsel.....	1,529,000	1,529,000	746,014	782,986	164	176
Total, Office of the Secretary.....	10,156,000	10,156,000	5,044,674	5,111,326	1,132	1,153
Total, Department of Health, Education, and Welfare.....	5,374,958,854	5,244,223,398	3,133,593,140	2,241,365,713	71,919	72,421

¹ See the following:

Includes availability for Bureau of State Services management fund..... 6,291,80

National Institutes of Health management fund..... 39,883,000

² Excludes "Cooperative research or demonstration projects," "Research and training (special foreign currency program)," and "Salaries and expenses, Office of the Com-

missioner," accounts involved in reorganization between the Welfare Administration and the Social Security Administration.

³ Appropriation apportioned on a deficiency basis; President's budget includes a supplemental proposed for later transmission which is excluded from the figures given above.⁴ Comparative amount to be transferred from Office of the Secretary and Office of Field Administration.

FUNDS TO COLLEGES AND UNIVERSITIES

Obligations to colleges and universities for fiscal years 1960-64 by appropriation, activity, and category

OFFICE OF EDUCATION

Appropriation, activity, and category	1960	1961	1962	1963 estimate	1964 estimate
Research:					
Defense educational activities:					
Language development research.....	\$2,780,478	\$1,369,733	\$1,550,000	\$1,395,000	\$1,395,000
Educational media research.....	2,055,107	2,683,891	1,843,244	1,937,499	1,937,500
Cooperative research.....	2,796,589	3,228,300	3,599,151	5,413,375	13,217,500
Educational research (special foreign currency program).....				320,452	620,000
Training:					
Endowment of colleges of agriculture and the mechanic arts.....	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Further endowment of colleges of agri- culture and the mechanic arts.....	2,501,500	2,501,500	8,194,000	11,950,000	11,950,000
Defense educational activities:					
Student loans.....	40,668,351	57,975,348	74,248,000	90,830,000	91,250,000
National defense fellowships.....	12,569,500	19,868,000	21,871,800	21,200,000	21,200,000
Institutes for counseling personnel.....	5,480,340	6,500,000	10,677,000	7,250,000	7,250,000
Language centers and stipends.....	3,429,513	4,554,205	5,754,000	5,640,000	6,295,000
Institutes for language teachers.....	3,319,746	6,482,687	9,014,000	7,250,000	7,250,000
Other:					
Defense educational activities: Edu- cational media research (dissemina- tion).....	178,514	712,699	640,775	750,000	750,000
Total, Office of Education.....	78,339,638	108,426,363	139,441,970	156,486,326	165,665,000

VOCATIONAL REHABILITATION ADMINISTRATION

Research:					
Research and training: Research.....	\$1,541,000	\$2,463,000	\$2,834,000	\$3,100,000	\$4,700,000
Training:					
Research and training: Training.....	5,247,000	6,176,000	8,316,000	11,305,000	14,900,000
Other:					
Research and training: Rehabilitation research and training centers.....			723,000	1,700,000	1,300,000
Total, Vocational Rehabilitation Administration.....	6,788,000	8,639,000	11,873,000	16,105,000	20,900,000

FUNDS TO COLLEGES AND UNIVERSITIES—Continued

Obligations to colleges and universities for fiscal years 1960-64 by appropriation, activity, and category—Continued

PUBLIC HEALTH SERVICE

Appropriation, activity, and category	1960	1961	1962	1963 estimate	1964 estimate
Research:					
Accident prevention: Research grants.	0	0	\$1,256,000	\$1,474,000	\$1,557,000
Chronic diseases and health of the aged: Research grants.	0	0	0	0	1,354,000
Communicable disease activities: Research grants.	0	0	0	0	1,042,000
Dental services and resources: Research grants.	0	0	0	0	404,000
Nursing services and resources: Research grants.	0	0	0	0	2,027,000
Hospital construction activities: Research grants.	\$390,984	\$492,717	1,724,347	2,000,000	2,500,000
Air pollution: Research grants.	115,406	63,246	1,630,162	2,698,029	3,427,600
Milk, food, interstate, and community sanitation: Research grants.	0	0	2,722,495	3,358,507	4,400,000
Occupational health: Research grants.	0	0	1,612,831	1,500,000	1,980,000
Radiological health: Research grants.	0	0	1,010,944	1,150,000	1,830,000
Water supply and water pollution control: Research grants.	0	0	2,449,128	3,000,000	3,900,000
General research and services, National Institutes of Health: Research grants.	17,088,400	26,212,800	59,502,000	77,745,000	79,194,000
National Cancer Institute: Research grants.	25,130,000	36,739,200	39,480,000	46,150,000	48,642,000
Mental health activities: Research grants.	16,801,200	23,323,200	32,430,000	42,245,000	59,898,000
National Heart Institute: Research grants.	26,278,800	41,692,800	47,940,000	62,835,000	72,360,000
National Institute of Dental Research: Research grants.	3,159,200	4,128,000	5,076,000	6,390,000	7,236,000
Arthritis and metabolic disease activities: Research grants.	22,545,200	29,721,600	42,300,000	53,605,000	61,104,000
Allergy and infectious disease activities: Research grants.	15,508,800	21,259,200	25,662,000	28,400,000	30,150,000
Neurology and blindness activities: Research grants.	17,088,400	23,323,200	29,610,000	37,630,000	43,416,000
Community health practice and research: Research grants.	0	0	0	0	1,675,000
Environmental health sciences: Research grants.	0	0	0	0	1,630,000
Training:					
Community health practice and research: Grants for public health training.	2,527,469	3,972,549	5,089,536	7,900,000	8,095,000
Dental services and resources: Training grants.	0	0	0	0	2,161,000
Nursing services and resources: Training grants.	5,892,478	6,425,198	6,588,694	7,325,000	7,928,000
Air pollution: Training grants.	75,556	80,700	79,208	387,638	863,000
Radiological health: Training grants.	0	500,000	975,098	2,000,000	2,500,000
Water supply and water pollution control: Training grants.	0	0	700,000	1,100,000	2,000,000
General research and services, National Institutes of Health: Training grants.	11,760,000	24,230,500	26,560,800	31,134,400	33,480,000
National Cancer Institute: Training grants.	6,182,400	6,329,600	7,167,200	10,601,800	11,160,000
Community demonstration projects.	378,198	488,072	700,000	700,000	0
Mental health activities: Training grants.	23,587,200	35,505,100	35,519,800	45,628,000	59,365,000
National Heart Institute: Training grants.	7,795,200	10,780,100	10,434,600	12,883,200	13,640,000
National Institute of Dental Research: Training grants.	1,008,000	2,670,300	2,213,400	3,220,800	4,340,000
Arthritis and metabolic disease activities: Training grants.	5,644,800	7,516,400	9,064,400	11,809,600	13,020,000
Allergy and infectious disease activities: Training grants.	3,225,600	4,252,700	5,059,200	6,710,000	7,130,000
Neurology and blindness activities: Training grants.	7,996,800	7,615,300	9,380,600	12,212,200	12,865,000
Environmental health sciences: Training grants.	0	0	0	0	1,519,000

PUBLIC HEALTH SERVICE—Continued

Obligations to colleges and universities for fiscal years 1960-64 by appropriation, activity, and category—Continued

Appropriation, activity, and category	1960	1961	1962	1963 estimate	1964 estimate
Construction:					
Hospital construction activities: Construction grants.....	\$4,733,290	\$5,417,088	\$6,668,521	\$7,000,000	\$8,000,000
Grants for cancer research facilities.....	0	4,000,000	1,800,000	0	0
Construction of health research facilities.....	23,600,000	24,000,000	26,200,000	38,000,000	41,500,000
Other:					
Chronic diseases and health of the aged:					
Cancer project grants.....	0	0	0	0	2,250,000
Neurological and sensory project grants.....	0	0	0	0	2,300,000
Other chronically ill and aged project grants.....	0	0	285,000	475,000	550,000
Water supply and water pollution control:					
Fellowships.....	0	0	97,938	300,000	450,000
Demonstration grants.....	0	0	190,128	325,000	400,000
General research and services, National Institutes of Health: Fellowships.....	4,783,800	8,796,900	9,416,400	12,732,800	13,694,000
National Cancer Institute:					
Fellowships.....	1,996,600	1,539,900	1,911,600	4,305,600	4,633,000
Community demonstration projects.....	101,906	176,698	250,000	250,000	0
Mental health activities: Fellowships.....	1,795,600	1,982,400	3,374,800	5,336,000	7,626,000
National Heart Institute: Fellowships.....	2,398,600	2,495,700	3,917,600	5,372,800	5,740,000
National Institute of Dental Research: Fellowships.....	589,600	708,000	731,600	1,104,000	1,107,000
Arthritis and metabolic disease activities: Fellowships.....	388,600	513,300	1,557,600	3,532,800	3,608,000
Allergy and infectious disease activities: Fellowships.....	964,800	1,062,000	1,604,800	2,612,800	2,747,000
Neurology and blindness activities: Fellowships.....	482,400	601,800	1,085,600	1,803,200	1,845,000
Project grants.....	0	0	195,000	1,700,000	0
National Library of Medicine: Contract.....	0	0	0	6,976	0
Total, Public Health Service.....	262,015,287	368,616,268	473,225,030	608,710,150	706,242,600

SOCIAL SECURITY ADMINISTRATION

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE					
Other:					
Disability study.....				\$93,000	\$190,000
Operations research feasibility study.....		\$19,500			

WELFARE ADMINISTRATION

Research:					
Grants for maternal and child welfare:					
Maternal and child health.....			\$166,960	\$169,074	\$169,074
Crippled children's services.....			245,450	317,713	317,713
Research and demonstration projects in child welfare.....			99,689	530,000	1,460,000
Cooperative research or demonstration projects.....		\$265,982	499,568	700,000	1,200,000
Training:					
Grants for maternal and child welfare:					
Maternal and child health.....			808,652	924,970	924,970
Crippled children's services.....			298,665	570,878	570,878
Training projects in child welfare.....				650,000	1,750,000
Juvenile delinquency training grants.....			2,017,214	1,814,000	1,814,000
Total.....		265,982	4,136,198	5,676,635	8,206,635

FUNDS TO COLLEGES AND UNIVERSITIES—Continued

Obligations to colleges and universities for fiscal years 1960-64 by appropriation, activity, and category—Continued

SPECIAL INSTITUTIONS

Appropriation, activity, and category	1960	1961	1962	1963 estimate	1964 estimate
Gallaudet College:					
Construction and planning.....	\$381,000	\$2,526,000	\$601,000	\$1,065,000	\$1,854,000
Other.....	904,000	1,074,000	1,256,000	1,480,000	1,697,000
Howard University:					
Construction and planning.....	28,000	1,676,000	4,908,000	5,617,000	6,245,000
Other.....	4,617,000	5,490,000	7,007,000	7,935,000	8,819,000
Total, special institutions.....	5,930,000	10,766,000	13,772,000	16,097,000	18,615,000

OFFICE OF THE SECRETARY ¹

Juvenile delinquency training grants.....	-----	-----	\$2,017,214	\$1,814,000	\$1,814,000
Educational television facilities.....	-----	-----	-----	-----	-----

¹ Grants are awarded on an individual project basis to several categories of applicants. It is not possible to estimate with any degree of accuracy the amount which will be obligated for schools of higher education

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